

The State Board of Regents met on Wednesday, September 7, and Thursday, September 8, 1994, at the University of Northern Iowa, Cedar Falls, Iowa. The following were in attendance:

	<u>Sept. 7</u>	<u>Sept. 8</u>
<u>Members of State Board of Regents</u>		
Mr. Berenstein, President	All sessions	All sessions
Mr. Collins	All sessions	All sessions
Mr. Dorr	All sessions	All sessions
Ms. Furgerson	All sessions	All sessions
Mrs. Hendricks	All sessions	Excused
Mrs. Johnson-Matthews	All sessions	All sessions
Dr. Newlin	All sessions	All sessions
Mrs. Pellett	All sessions	All sessions
Dr. Tyrrell	All sessions	All sessions
<u>Office of the State Board of Regents</u>		
Executive Director Richey	All sessions	All sessions
Director Barak	All sessions	All sessions
Director Houseworth	All sessions	All sessions
Director Volm	All sessions	All sessions
Associate Director Racki	All sessions	All sessions
Minutes Secretary Briggie	All sessions	All sessions
<u>State University of Iowa</u>		
President Rawlings	All sessions	All sessions
Provost Nathan	All sessions	All sessions
Vice President Manasse	All sessions	Excused
Vice President True	All sessions	All sessions
Associate Vice President Small	All sessions	All sessions
General Counsel Schantz	All sessions	Excused
Legislative Counsel Stork	All sessions	All sessions
Director Yanecek	All sessions	All sessions
<u>Iowa State University</u>		
President Jischke	All sessions	All sessions
Provost Kozak	All sessions	All sessions
Vice President Madden	All sessions	All sessions
Vice President Theilen	Excused	All sessions
Associate to the President Adams	All sessions	All sessions
Assistant to the President Bradley	All sessions	All sessions
Associate Director Anderson	All sessions	All sessions
<u>University of Northern Iowa</u>		
President Curris	All sessions	All sessions
Provost Marlin	All sessions	All sessions
Vice President Conner	All sessions	All sessions
Vice President Follon	All sessions	All sessions
Executive Asst. to the President Stinchfield	All sessions	All sessions
Assistant to the President Gadelmann	All sessions	All sessions
Director Chilcott	All sessions	All sessions
<u>Iowa School for the Deaf</u>		
Superintendent Johnson	All sessions	All sessions
Business Manager Heuer	All sessions	All sessions
Interpreter Stacy	All sessions	All sessions
Interpreter Seiler	All sessions	All sessions
<u>Iowa Braille and Sight Saving School</u>		
Superintendent Thurman	All sessions	All sessions
Director Woodward	All sessions	All sessions

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday and Thursday, September 7 and 8, 1994.

President Berenstein welcomed everyone to the Board of Regents meeting and said it was great to be at the University of Northern Iowa.

APPROVAL OF MINUTES OF BOARD MEETING, JULY 20, 1994. The Board Office recommended the Board approve the Minutes, as written.

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

ACTION: President Berenstein stated the Board approved the Minutes of the July 20, 1994, meeting, as written, by general consent.

CONSENT ITEMS. The Board Office recommended the Board approve the consent docket.

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

Receive the report on the Iowa State University Stanton Memorial Carillon Foundation;

Receive the report on the meeting of the Iowa College Student Aid Commission;

Approve the Board Meetings Schedule;

Approve the proposed new University of Iowa classification, Assistant Provost and Director of Administration and Planning in grade 15 (\$48,560-\$84,925);

Refer the Iowa State University request to change the name of the Iowa State Mining and Mineral Resources Research Institute to the Center for Coal and the Environment to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation; and

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

REPORT OF THE BANKING COMMITTEE. The Board Office recommended the Board (1) approve the selection of Securities Corporation of Iowa and Piper Jaffray, Inc., as managing underwriter for the College Savings Bonds (UNI) to be issued in November 1994; (2) approve the resolution for the sale of \$6,545,000 Academic Building Revenue Bonds, Series ISU 1994; (3) approve the renewal of contracts with bond counsel and financial advisor; and (4) receive the report of the Banking Committee.

The resolution for the sale of \$6,545,000 Academic Building Revenue Bonds, Series ISU 1994, can be found on page 332 of these Minutes.

Regent Hendricks stated that the Banking Committee members visited with State Auditor Richard Johnson and Andy Nielsen of his staff. She said that a number of issues emerged. As a result, the Banking Committee asked Mr. Richey to work with Mr. Johnson and institutional officials to resolve some of the concerns in a mutually satisfactory manner.

Regent Hendricks stated that the Banking Committee received a progress report on the investment agreement with Walter Scott & Partners. She said the agreement was ready to be signed. The Banking Committee members recommended the Board approve the renewal of contracts with bond counsel and financial advisor.

MOTION:

Regent Hendricks moved to approve the renewal of contracts with bond counsel and financial

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

MOTION CARRIED UNANIMOUSLY.

Regent Hendricks stated that the Banking Committee discussed and recommended Board approval of the selection of Securities Corporation of Iowa and Piper Jaffray, Inc., as managing underwriter for the College Savings Bonds (UNI) to be issued in November 1994.

MOTION: Regent Hendricks moved to approve the selection of Securities Corporation of Iowa and Piper Jaffray, Inc., as managing underwriter for the College Savings Bonds (UNI) to be issued in November 1994. Regent Newlin seconded the motion. **MOTION CARRIED WITH REGENT COLLINS ABSTAINING.**

Regent Hendricks stated that the Banking Committee received a report regarding executive director approval of lease purchase financing.

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

REPORT ON STRATEGIC PLANS. The Board Office recommended the Board (1) receive reports from the three Regent universities on a) progress in attaining strategic planning goals during 1993-94 and b) plans for the 1994-95 academic year; (2) approve each university's strategic planning priorities for 1994-95; and (3) review the 13 existing goals of the Board of Regents in light of strategic planning progress reports and 1994-95 priorities.

This was the fourth annual progress report on strategic planning at each Regent university. Similar reports for the two special schools will be presented at the October Board meeting.

All three universities are undertaking major revisions of their strategic plans during the 1994-95 academic year.

Each institution has developed its own strategic planning goals that relate to the thirteen Board of Regents goals adopted in 1989 and modified in 1992.

Each institution's current strategic plan and goals were approved in the spring of 1990.

Board of Regents current strategic planning goals are well reflected in the goals of each university. Regent goals relating to undergraduate education, graduate education, research and diversity are particularly prominent at each of the three universities.

Each university prepared a detailed report describing progress made by the entire university as well as by each major college and administrative unit.

Following are some highlights of progress made in 1993-94 and plans for the upcoming academic year:

University of Iowa

Concerning plans for 1994-95,

A new Strategic Planning Committee has been formed and is in the process of revising the university's strategic plan.

- o Efforts have been made in recent months to revise environmental assumptions by August 1994.
- o Objectives and strategies will be revised for October 1994.
- o Target date for the final complete version of the revised university strategic plan is mid-December 1994.
- o Revisions of first- and second-level planning units will follow.
- o Emerging new issues include health care, electronic communications and infrastructure, distance learning, cost management, enrollment management, and increased emphasis on research and scholarship.

- o Although other new concerns and priority shifts may emerge, no drastic change in the overarching goals of the present strategic plan were anticipated.

Current Goals

For academic year 1993-94 the focus continued to be on the university's three primary goals of

- o comprehensive strength in undergraduate programs,
- o premier graduate and professional programs in a significant number of areas, and
- o an academic community diverse in gender, race, ethnicity, and nationality

Regarding undergraduate education,

- o Reports submitted by each college in November 1993 indicated that all colleges are working successfully to increase the involvement of tenured and tenure-track faculty in undergraduate education, enhance incentives for excellent teaching, and coordinate faculty development programs more closely with academic programs.
- o A university committee submitted a report to the Board of Regents in November 1993 which describes indicators of progress toward achievement of goals for instructional enhancement at the University of Iowa.
- o The Faculty Council on Teaching is in the process of developing a Teaching Center to provide faculty members with advice and resources to improve teaching skills. This center is expected to be operational in 1994-95.

Regarding Graduate and Professional Education,

- o The university's Plan for Revitalization of Graduate Education proposes to improve net graduate assistant stipends to third rank among Big Ten schools and to provide a health insurance allowance of 75-90 percent of the single premium cost for graduate assistants. The first year of the plan has been implemented.
- o The Graduate College continues to participate in departmental and program reviews and to monitor indices of quality for all graduate programs.

Regarding Diversity,

- o The university has established a program for Women in Science and Engineering (WISE), hired a coordinator for the Faculty Spouse/Partner Assistance Program, and continued its ambitious orientation program for new faculty.
- o The university proposed a program for Minorities in Science and Engineering modeled after the WISE program. The purpose is to recruit greater numbers of minority faculty and students in sciences and engineering.
- o The Graduate College has hired an Assistant Dean for Graduate Student Recruitment and Professional Development who will focus on the recruitment of minority graduate students.
- o Opportunity at Iowa has continued its efforts toward strengthening community ties, funding minority education, and working with academic support units.

Iowa State University

Regarding plans for 1994-95,

- o The university is currently in the process of developing a new strategic plan.
- o Considerable detail of specific priorities for 1994-95 was provided in the strategic planning progress report submitted by the university.
- o A University Strategic Planning Committee appointed in May 1994 is expected to submit to President Jischke a draft of a new strategic plan by October 1994.
- o The committee's report is the culmination of a number of steps taken starting in October 1993:
- o A Strategic Planning Review Committee reviewed and evaluated the April 1990 university strategic plan and made suggestions regarding the development and substance of the next strategic plan.
- o A total of 34 faculty and staff were commissioned to write position papers on major issues affecting Iowa State University that should be taken into consideration in developing the next plan.

- o The range of topics was broad and included analyses of demographic changes, Iowa's economy in the next decade, national research trends, and internationalization. The 34 papers were published in a single volume and widely distributed across campus both in paper and electronic form.
- o Open forums were held in March 1994 for faculty, staff, and students to discuss the Report of the Strategic Planning Review Committee and the position papers, and to provide ideas for future development.

University officials expect to undertake an extensive process of review and discussion regarding the proposed new draft plan and to present the new plan to the Board of Regents in April or May 1995.

Implementation of the new plan is expected to begin in July 1995.

Strategic plans for each of the colleges and major non-academic units will be developed in conjunction with the new university strategic plan and should be completed by early-fall 1995.

The university and unit plans will serve as the special emphasis for Iowa State University's self-study report for the February 1996 accreditation visit of the North Central Association.

The university's strategic plan covers five goal areas:

- o campus environment,
- o undergraduate education,
- o graduate and professional education and research,
- o extension and other outreach efforts, and
- o national stature in technology.

Regarding the goal to foster an intellectually stimulating campus environment, examples of 1993-94 achievements include the following:

- o Iowa State University's award-winning Lectures Program brought a diversity of ideas to campus including Cornel West, a leading spokesperson for race issues; Ira Glasser, Executive Director of the American Civil Liberties Union; Lebanon hostages Tom Sutherland and Terry Anderson; playwright Barbara Fields; performers Ossie Davis and Ruby Dee; and Iowa Senator Tom Harkin.

The university has developed a training program for TQM teams that are springing up across the campus, students are learning TQM in the classroom, and the university is helping to spread the TQM philosophy beyond its campus in work with elementary and secondary schools and community groups.

Regarding the goal of providing an outstanding undergraduate program, some examples are:

- o In its first full year of existence, the Center for Teaching Excellence greatly expanded its presence on campus by sponsoring forums, developing faculty workshops, producing materials and videos, and providing numerous resources to help faculty become more effective in teaching.
- o The university has made progress in increasing the number of tenure and tenure-track faculty who teach undergraduate courses and the percentage of student credit hours taught by tenure and tenure-track faculty.
- o The university has implemented a number of programs to increase retention of students, particularly minority students and those who face academic, financial, or other difficulties.

Regarding the goal to provide strong graduate and research programs, accomplishments include the following:

- o Iowa State University was named a "Research I" university by the Carnegie Foundation for the Advancement of Teaching. The Research I classification denotes universities that have the most comprehensive degree programs, are committed to graduate education, and give the highest priority to research.
- o Total sponsored funding for research and educational programs at Iowa State University rose by 13.7 percent to \$175.7 million. Although graduate enrollment was down slightly (23 students) during 1993-94, graduate enrollment is up 10 percent from what it was in 1989-90.
- o Demonstrating the success of its efforts to apply and transfer technology, Iowa State University signed 57 licenses during 1993-94, a dramatic increase since the 3 signed in 1989-90.

Regarding the goal to provide outstanding outreach programs, some examples are:

- o The university's ability to deliver distance education grew dramatically with the implementation of a fiber optics classroom in Lagomarcino Hall.
- o Research at the new Iowa Pork Industry Center being established at Iowa State University will promote efficient pork production, help maintain the state's industry leadership, and strengthen rural development efforts through educational programs and demonstrations of emerging technologies and marketing practices.
- o Iowa State University and Des Moines Area Community College have joined forces with each other and several other agencies in creating the Iowa Manufacturing Technology Center designed to help solve technical problems for Iowa manufacturers.

Regarding the goal to develop a position of national stature in technology, progress was made in many areas. Among the outstanding examples are:

- o Project Vincent, in its fourth year of operation, now supports 800 workstations and 14,000 people across the campus. Virtually all Vincent users use the system to access the Internet and to talk electronically to colleagues and peers throughout the world.

University of Northern Iowa

Regarding plans and priorities for 1994-95,

- o A major administrative priority for the coming year will be the preparation of a revised strategic plan.
- o As the environment becomes more complex and resource scarcity continues to be a major problem, the university believes it must expand the scope of its plan to encompass not only the academic colleges, but also major academic and administrative support units.
- o The university believes that the strategic plan must be more closely tied to the budget process.
- o Enrollment management will continue to be a top priority. Enrollment management addresses needs for resource management and diversification of the student body in terms of minority enrollments, international students, and out-of-state students.

Program priorities for 1994-95 will include:

- o Complete implementation of the General Education Program effective fall 1994.
- o Implementation of the university's new interdisciplinary graduate programs in Women's Studies and Environmental Sciences.
- o Provisions of additional resources to English, Communications Studies, and Communicative Disorders.

Facilities priorities include:

- o Completion and occupation of the addition to the Rod Library.
- o Completion of planning for the Wellness Center.
- o Conclusion of the capital campaign and attainment of adequate funding for the Performing Arts Center.
- o Continued development of the capabilities required to make more effective use of the Iowa Communications Network and other distance learning capability.
- o Expansion of program initiatives of the Center for Enhancement of Teaching to meet the faculty-identified needs in support of the university's instructional mission.

The university has seven major goals in its strategic plan:

- o Strengthen the academic distinctiveness of the University of Northern Iowa among Regent institutions.
- o Strengthen the academic distinctiveness of the University of Northern Iowa nationally.
- o Increase awareness of the University of Northern Iowa's identity and distinctiveness as a premiere undergraduate institution.
- o Recruit and retain high quality faculty.
- o Enhance racial and cultural diversity within the university.

- o Provide improved access to information systems and related technologies for faculty, students, and appropriate external constituencies.
- o Focus graduate programs to enhance quality and foster scholarly research.

Regarding the goal to strengthen the academic distinctiveness of the University of Northern Iowa among the Regent institutions, several important achievements during 1993-94 were as follows:

- o The university's distinctive general education program, consisting of 47 hours required of all students has been fully implemented.
- o The University of Northern Iowa ranked tenth in the nation in 1992 (latest data) in the performance of its students passing all four parts of the CPA examination on the first attempt.
- o During the past year, the College of Natural Sciences received three major instructional and laboratory improvement grants from NSF in the areas of plant biology, manufacturing technology, and meteorology. These grants will enable faculty in those areas to substantially improve and enhance instructional laboratories and provide their students with richer educational experiences.

Regarding the goal to strengthen the academic distinctiveness of the University of Northern Iowa nationally, achievements during 1993-94 include:

- o The Institute for Educational Leadership was recognized by the National Association of State Coordinators for the Education of Homeless Children and Youth for their outstanding curricular work in the development of the curricular handbook, A Guide to Assisting Homeless Children and Their Families.
- o Energy education has been enhanced by the creation of the Center for Energy and Environmental Education.
- o The Counselor Education area has one of three nationally accredited mental health programs in the nation.

Regarding the goal to increase awareness of the University of Northern Iowa's identity and distinctiveness as a premier undergraduate institution, some notable accomplishments are:

- o An undergraduate electronic mailing list and computer-based news groups to exchange information are accessible to all students on and off campus.
- o The graduate Russian Exchange Program is the only program of its kind in the United States supported by the American Council of Teachers of Russian.
- o The university's capital campaign is nearing its \$25 million goal a year ahead of schedule.
- o The Center for Applied Research in Metal Casting has expanded its role to assist Iowa foundries in technology transfer and economic development and received a major federal grant to support the Center's technology deployment activities throughout the Midwest.

Regarding the goal to strengthen and develop incentive programs for the retention of quality faculty,

- o The College of Business Administration has established five Distinguished Teaching Awards.
- o Several college units have devised faculty mentoring programs involving senior faculty who are asked to mentor new faculty. The interdisciplinary mentoring program of the College of Humanities and Fine Arts provides forums for new faculty to meet and select mentors. The college developed and published an information and resource manual for new faculty in the summer of 1993.

Regarding the goal to enhance racial and cultural diversity within the university,

- o For two summers, African-American faculty from other institutions have offered courses in the College of Social and Behavioral Sciences as part of the Student Minority Teaching Program. This has led to applications from minorities for admission.
- o The College of Business Administration has appointed a coordinator to supervise its various minority support programs, including its new EXCEL program, and to enhance the recruitment of minority students and promote community support.

Regarding the goal to improve access to information systems and related technologies for the faculty, student body, and appropriate external constituencies, objectives attained in 1993-94 were as follows:

- o Rod Library has added its first full-text databases this year, notably Compact d/SEC (a business course), and LEXIS/NEXUS and the Des Moines Register.
- o The university has developed a comprehensive plan to control the development of the university's distance learning technology including the ICN and the satellite uplink capability.

Regarding the goal to focus graduate programs to enhance quality and foster scholarly research, accomplishments during 1993-94 included the following:

- o The School of Music has developed a jazz focus at the graduate level, building on the strength of its internationally-recognized jazz program.
- o The College of Natural Sciences has been successful in obtaining grants totaling over \$1.75 million to further faculty research in the past year.
- o The Center for Social and Behavioral Research has initiated a summer research seminar series in a forum for exchange among research scholars from the University of Northern Iowa and other universities.

Board of Regents Goals

In September 1989 the Board of Regents adopted 13 strategic planning goals to guide its efforts and that of the Regent institutions. These 13 goals have remained essentially unchanged since that time. In October 1992 the Board modified the first goal so as to make explicit reference to the special schools.

All of the Regent institutions have for the last five years used the Regent goals to guide development of their strategic plans and have developed their own institutional goals around the Regent goals. All three universities intend to revise their strategic plans during the coming academic year. However, anticipated revisions will most likely be in strategies to implement goals and/or in reprioritization of existing goals.

The present list of Regent goals has fostered the development of institutional objectives that are broad and far-ranging and has permitted each institution to exercise the flexibility and autonomy that strong and effective leadership of each demands.

The Board Office environmental assessment completed last year and the environmental assessments completed each year by the institutions did not indicate

that a significant change in Regent goals is needed. The Board Office therefore recommended that the current set of Regent goals be retained.

When the institutions complete their revised plans, it would be appropriate to review them in terms of how well they address the 13 Regent goals. It is possible that some changes in the existing goals may be needed at that time.

The existing thirteen goals of the Board of Regents follow:

1. Ensure that quality teaching remains a key priority within all Regent institutions: higher education at the universities and elementary/secondary education at the special schools.
2. Foster and maintain undergraduate instructional programs of high quality.
3. Enhance the quality of graduate and professional education.
4. Strengthen research and other creative work at the Regent institutions.
5. Attract, develop and retain faculty, staff and students high in quality and diverse in composition.
6. Improve the facilities, equipment and operating budgets basic to strong programs of teaching and research at the Regent institutions.
7. Improve access by all Iowans to Regent institutions.
8. Escalate efforts to increase the participation of minorities in higher education.
9. Develop and implement effective marketing strategies for each university.
10. Emphasize efforts to raise private funds, especially to support innovative programs falling outside the categories recognized by government.
11. Improve the flexibility, efficiency and accountability of governance throughout the Regent system.
12. Contribute to the economic development of the state.
13. Encourage cohesiveness and cooperation throughout the Regent system.

President Jischke provided an overview of progress made last year at Iowa State University toward achieving strategic planning goals. He noted that progress this year was detailed in a report mailed to the Regents. During 1993-1994 a number of significant milestones were achieved. Iowa State University earned "Research I" designation by the Carnegie Foundation for the Advancement of Teaching. The university is achieving enrollment records in many areas. With regard to external funding, he said total sponsored funding for research and educational programs rose 13.7 percent to \$175.7 million. Fiscal year 1994 was Iowa State University's second best year in history in private fund raising. Income from intellectual property continues to increase, primarily as a result of fax technology. Fund raising is allowing renovation of Botany Hall.

President Jischke stated that fiscal year 1994 was a remarkable year for Iowa State University. He said it would be a hard act to follow. Several outreach efforts with community colleges and others have taken place. The Pork Industry Center is an outstanding outreach program. He then commented on the priorities for the coming year. In July university officials reported on the budget. The highest priority is to improve undergraduate education by improving retention and graduation rates. University officials will identify students who are most at risk especially during the freshman year and will develop intervention programs for those students. University officials will be expanding a number of initiatives and beginning new initiatives. There will be assessments of all entering students. To improve retention of minority students the university has hired additional advisors in each of the colleges for the "early success" program. He said efforts are being made to increase the percentage of student core hours taught by tenure-track faculty especially in beginning courses.

The Center for Teaching Excellence is helping to enhance the quality of undergraduate programs. Very important discussions are taking place on campus regarding curriculum, diversity in curriculum and internationalization of curriculum. President Jischke stated that the university has completed the 3x5 program of support for agriculture research. He was confident that they would continue to achieve progress in agriculture research. College of Agriculture Dean Topel has helped Iowans to understand the impact of the swine industry upon the state. He hopes this year to receive the remaining \$6 million of Federal funding for the National Swine Research Center. Technology transfer programs on campus will be continued. Iowa State University will continue to be a national leader in the use of technology in educational programs including Project Vincent.

President Jischke stated that efforts will be made this year toward training initiatives to develop employees more effectively. They will begin a new employee training program. University officials will also develop a program of continuing education for employees.

Efforts will continue toward enhancing the climate for underrepresented groups on campus.

Iowa State University officials are in the process of developing a new strategic plan for the university since this is the fifth year of the university's 5-year strategic plan. In October 1993 President Jischke appointed a committee to review the existing strategic plan. The committee's report was completed in January and submitted to the Board of Regents. Position papers are being written on issues that will affect Iowa State University in the future. In May President Jischke appointed a strategic planning committee chaired by the provost to draft a new strategic plan for the university. The committee has been meeting weekly and expects to have the first draft out by the end of October. He hopes to distribute the draft widely and to have open forums on campus and outside the university. The final draft will be presented to the Board of Regents next spring. He emphasized that there must be lots of input if the plan is to be supported upon adoption. The colleges are developing similar strategic plans.

Regent Newlin asked if Iowa State University officials were pleased with the committee's performance. President Jischke responded that the committee meets every Tuesday morning. There is a very high level of participation -- faculty, administration, students, alumni and friends of the university. The committee members are taking their work very seriously and are in the process of developing areas for specific attention. The charge to the overall committee was to develop a draft plan for the 5 years 1995-2000. They were encouraged to be bold, although realistic, and to think carefully of the financial implications. President Jischke stated that he has been very pleased with the performance of the committee.

President Berenstein noted that Iowa State University officials made available the strategic plan to members of the media. He said it was important that the press is aware of the governance matters that the Board of Regents addresses on a regular basis.

Provost Marlin discussed the University of Northern Iowa's strategic plan. She noted that a campus committee was reviewing the effectiveness of the current plan and focusing effort toward the development of the next strategic plan. The strategic planning committee's efforts focus on building on excellence and enhancing quality as outlined in a 90-page document the committee submitted for the docket.

Provost Marlin stated there were two areas of the plan which were particularly important to the vitality of the university. The first was the university's general education requirement for all students. They are completing the implementation of that effort. Instead of the cafeteria-style general education program, UNI's faculty

constructed an academically sound 47 hour core general education program which is required of every student. The implementation was extraordinarily complex and took four years to fully implement. The general education program affirms the centrality of a liberal arts education.

The second area of importance to the vitality of the university addressed by Provost Marlin was diversity. She stated that goal five of the University of Northern Iowa strategic plan was to enhance the cultural and racial diversity of faculty and the student body. Using 1989 as a base line and comparing it to this fall, she said the university has more than doubled the number of minorities on campus. Most of the increase in minority students is in African Americans. She said that another aspect of diversity is to provide students with an international experience by studying abroad. Last year over 500 students had an international experience including education students who student teach abroad. This fall close to 30 percent of the education students have placements out of state. Student teaching sites in the U.S. are in diverse population areas including San Antonio which is largely Hispanic. Next year students will also student teach in New Mexico and Arizona. International student teaching sites include Japan, Italy, Spain, England and Egypt.

Provost Marlin concluded by stating that there have been problems in the implementation of the strategic plan; however, they have made progress. There is more awareness of the campus climate and other evidence of progress made.

Regent Dorr thanked University of Northern Iowa officials for the outstanding report and said he appreciated what he heard from Provost Marlin.

President Berenstein reminded everyone to review the reports that had been submitted. These types of annual reports are a good basis on which the Regents can give presentations to the local Rotary and other such organizations. Governance reports provide good resource material.

Provost Nathan stated that the University of Iowa strategic plan has been an effective instrument in guiding university efforts since its inception in 1989. Revisions to the strategic plan are underway and will allow university officials to continue moving forward. He said the strategic planning committee was charged with reviewing and renewing the plan. The committee's work has proceeded with haste. The overarching goals of the University of Iowa strategic plan are comprehensive strength in undergraduate education and a premier graduate program. Those goals are unlikely to change with the coming revisions. Work toward the goals in the past 5 years will form a solid base for proceeding into the next five years.

Provost Nathan provided highlights of this year's progress toward achieving strategic plan goals. Each of the colleges reported progress toward implementing the Framework for Instructional Improvement. More senior faculty are teaching in undergraduate education. The strategic plan steering group has continued its efforts which promise to advance each of the strategic goals. Faculty are developing a new teaching center for 1994-95. The ambitious biosciences initiative is moving forward. He said the Faculty Senate and staff council are implementing the Plan for Revitalization of Graduate Education. Those efforts will make the University of Iowa much more attractive to potential graduate students. Women in science and engineering and a program for minorities are soon to follow.

Implementation of the University of Iowa strategic plan includes bolstering its current strengths. Dentistry, law, medicine and pharmacy have high rankings nationally. A student survey instrument has been developed. Provost Nathan stated that Money Magazine ranks the University of Iowa 6th in the U.S. among top state schools and 34th overall. He said each college has had remarkable success in its efforts toward achieving the university's and colleges' goals. The College of Business enjoys a new building while the College of Education prepares for participation in new distance learning opportunities.

Regent Furgerson thanked universities' officials for the helpful and informative materials, and the good work that everyone had done.

Regent Newlin referred to the 13 goals of the Board of Regents and asked whether the current Board still supported the 13 goals. President Berenstein responded that the 5-year strategic plans were instituted in 1989. Next year there will be a reevaluation of all the institutions' and Regents' goals as part of the 5-year process. At that time they will reconfirm or establish new goals. He suggested that if there were something in the Regents' goals with which Regent Newlin was uncomfortable he should bring it to the attention of the Board Office.

Mr. Richey noted that the Board reviewed its goals in a fairly major way 1 to 2 years ago.

Regent Newlin stated that he felt the goals were still on target.

President Rawlings directed attention to the Regents' goals to improve facilities, equipment and operating budgets basic to strong programs of teaching and research at the Regent institutions. He stated that this year requests were made by all five institutions, which Mr. Richey recognized, for instructional improvement. He hoped they may be able to do that in the future for other major efforts.

President Jischke stated that Iowa State University officials assumed that the 13 goals of the Board of Regents were still valid. He noted that the various initiatives at the university are all separately desirable but one of the challenges is to try to balance them all. The direction provided by the Board is very important in prioritizing university requests.

President Berenstein noted that there was a balancing act to be done by the Board Office as well as the institutions. He said the 13 goals of the Board of Regents were not prioritized.

President Jischke stated that Iowa State University has taken seriously the aspiration to be the best land grant university in the country, which has a number of implications. Support of the Board is critical to university officials pursuing that goal. He encouraged the Board to grapple with whether it still supported its 13 goals.

Regent Newlin stated that the core of the strategic planning effort was the missions of the institutions and then the support of the Regents' 13 goals.

President Berenstein said the situation is exacerbated when it comes to funding. He said the institutions have to pursue their own goals but the system has to survive, as well.

MOTION:

Regent Furgerson moved to (1) receive reports from the three Regent universities on a) progress in attaining strategic planning goals during 1993-94 and b) plans for the 1994-95 academic year; (2) approve each university's strategic planning priorities for 1994-95; and (3) review the 13 existing goals of the Board of Regents in light of strategic planning progress reports and 1994-95 priorities. Regent Johnson-Matthews seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a) Course Changes, University of Iowa. The Board Office recommended the Board approve the proposed course changes at the University of Iowa.

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

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

The data indicated that since the last report, 427 courses were added to the curriculum while 383 were dropped for a net increase of 44 courses.

The relatively large number of total changes in course listings (1,466), as compared to last year's report of 989, reflected adjustments made in connection with the biennial preparation of the university catalog.

Course additions that are related to new program requests were previously reported in separate actions in the university's docket.

University officials indicated that changes in course offerings represented the continuing response of the university to the changing educational needs of students, changing disciplinary emphases, and the vitality of its faculty.

Curricular trends and course changes of the colleges included:

College of Dentistry. Course changes for the College of Dentistry related to the implementation of the new Master's Degree in Oral Science approved by the Board of Regents in May 1993 and to the phasing out of the Dental Hygiene courses approved by the Board in April 1992.

College of Medicine. Course changes in the College of Medicine related to the initiation of a new Ph.D. track in Immunology approved by the Board in January 1993 and to the expansion of the information base and increased scholarly efforts and the broadening of the base of teaching efforts. Extensive evaluation of the curriculum for medical students is underway to reflect the present and anticipated changes in health care, particularly primary care in rural areas.

College of Nursing. Course changes in the College of Nursing related to changing societal needs for skilled nursing services. A rural health gerontological nurse practitioner option and an anesthesia nursing program were reported to the Board of Regents in April 1994. The College plans an increasing effort to use the ICN to deliver nursing content to satellite centers in Emmetsburg, Mason City and Fort Dodge.

College of Pharmacy. Course changes for the College of Pharmacy related to the conversion of the baccalaureate pharmacy program into the entry-level Pharm.D. program approved by the Board in May 1993 and planning to initiate a nontraditional

Pharm.D. program utilizing long distance learning based primarily on the state's fiber optics network.

College of Liberal Arts. New courses in the College of Liberal Arts were added in undergraduate general education to respond to the college's decision to require every student to do some work in Fine Arts as a part of the new Humanities General Education Requirement. In addition, a complete reconsideration of course offerings for the Department of Sports, Health, Leisure and Physical Studies resulting from merger of the Department of Physical Education and Sports Studies and the Department of Leisure Studies has been undertaken.

College of Business Administration. The College of Business Administration has redesigned the undergraduate core courses for delivery in large lecture sections in conjunction with the move into the new Pappajohn Business Administration Building. The redesign has resulted in a number of course changes. Other course changes were the result of the operation of a new School of Management which commenced in January 1994 following Board approval in October 1993.

College of Education. Course revisions consolidate courses across programs and respond to changes in the programs themselves. Some changes/additions were developed in response to suggestions by accrediting and licensing bodies.

College of Engineering. Course changes in the College of Engineering reflected emerging technology and evolutionary changes reflected in yearly updates in the majority of Engineering courses. A trial offering of an advanced undergraduate course on entrepreneurship for both Business and Engineering students is planned for Fall 1994.

College of Law. Some new courses resulted from expansion in the International and Comparative Law fields. Others were the result of growing interdisciplinary competence and interest among law faculty which has expanded the academic breadth of the legal education program. There has also been an increased emphasis on development of practical skills courses.

ACTION: President Berenstein stated the Board approved the proposed course changes at the University of Iowa, by general consent.

(b) Degree Designation Change - B.S. in Engineering, University of Iowa. The Board Office recommended the Board approve the University of Iowa's request to change the degree designation for the B.S. degree in Engineering Major/Civil Engineering.

There have been active national developments in creating "Environmental Engineering" options in standard Engineering programs.

The Department of Civil and Environmental Engineering has revised its curriculum resulting in a need to change the degree designation for this degree as follows:

<u>Current designation</u>	<u>Proposed designation</u>
B.S. in Engineering Major/Civil Engineering	B.S. in Engineering Major/Civil Engineering (Environmental)

The proposed change was consistent with changes taking place nationally in this field.

The new emphasis option will aid the College of Engineering in the recruitment of undergraduate students.

The proposal was reviewed by the Interinstitutional Committee on Educational Coordination and the Board Office. Both recommended approval.

MOTION: Regent Newlin moved to approve the University of Iowa's request to change the degree designation for the B.S. degree in Engineering Major/Civil Engineering. Regent Dorr seconded the motion.
MOTION CARRIED UNANIMOUSLY.

(c) Discontinue Undergraduate Curriculum, Iowa State University. The Board Office recommended the Board approve the proposal to discontinue the Fisheries and Wildlife Biology undergraduate curriculum in the College of Agriculture.

Iowa State University officials requested approval to discontinue the Fisheries and Wildlife Biology undergraduate curriculum in the College of Agriculture and to make it an option within the curriculum on Animal Ecology. The Animal Ecology major will have a "core" program with five options: Aquaculture, Ecology, Fisheries Biology, Interpretation, and Wildlife Biology.

The resulting program option will be streamlined for advisors and students alike, with the goal of producing graduates with the best skills possible for today's job market.

University officials reported that there are other biology-oriented majors at other Regent institutions; however, only Iowa State University has this major per se.

The request was reviewed by the Interinstitutional Committee on Educational Coordination and the Board Office and both recommended approval.

MOTION: Regent Furgerson moved to approve the proposal to discontinue the Fisheries and Wildlife Biology undergraduate curriculum in the College of Agriculture. Regent Dorr seconded the motion.
MOTION CARRIED UNANIMOUSLY.

(d) Change Name of Curriculum, Iowa State University. The Board Office recommended the Board approve the proposal to change the name of the undergraduate curriculum in Industrial Education and Technology to the curriculum in Industrial Technology.

The proposed new title will better describe the curriculum, which focuses on manufacturing, occupational safety, and training and development instead of teacher preparation; the latter was removed from the curriculum in 1989.

The recommended curriculum name change also parallels a recommendation of the program's accreditation body, the National Association of Industrial Technology.

The request was reviewed by the Interinstitutional Committee on Educational Coordination and the Board Office and both recommended approval.

MOTION: Regent Furgerson moved to approve the proposal to change the name of the undergraduate curriculum in Industrial Education and Technology to the curriculum in Industrial Technology. Regent Johnson-Matthews seconded the motion.
MOTION CARRIED UNANIMOUSLY.

(e) Approval of Undergraduate Minor, Iowa State University. The Board Office recommended the Board approve the request of Iowa State University to establish an undergraduate minor in Nondestructive Evaluation in the College of Engineering.

University officials noted that employers and educators in engineering agree that a formal minor of this type is a complement to a conventional engineering degree. This

approach is particularly attractive for emerging technology like this that are inter- or multi-disciplinary in nature.

The availability of minors such as this is thought to be valuable in keeping U.S. industry and technology competitive.

The proposal was reviewed by the Board Office and the Interinstitutional Committee on Educational Coordination and was recommended for approval.

MOTION: Regent Pellett moved to approve the request of Iowa State University to establish an undergraduate minor in Nondestructive Evaluation in the College of Engineering. Regent Furgerson seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

(f) Change Name of Curriculum, Iowa State University. The Board Office recommended the Board approve proposals to change: (1) the title of the undergraduate curriculum in Physical Education to a curriculum in Exercise and Sport Science and (2) the title of the graduate major in Physical Education to a major in Exercise and Sport Science.

Iowa State University officials requested approval to change the titles of the undergraduate curriculum and the graduate major in Physical Education to a curriculum in Exercise and Sport Science and a major in Exercise and Sport Science, respectively. Both programs are offered by the Department of Health and Human Performance (formerly Physical Education) within the College of Education.

The titles will more accurately reflect the programs' range of emphases, which include exercise physiology, sport management, motor control, biomechanics, sociology of sport, and psychology of sport.

The term "physical education" connotes a focus on the teaching of sports and/or the training of teachers of sport and physical activity, which represents only a minor part of the undergraduate program.

The department's graduate program does not include courses in pedagogy or have an emphasis in school-related education.

The recommended names, which were recommended by an external review team, reflect a nationwide trend in similar departments of major universities.

The request was reviewed by the Interinstitutional Committee on Educational Coordination and the Board Office and both recommended approval.

MOTION: Regent Furgerson moved to approve proposals to change: (1) the title of the undergraduate curriculum in Physical Education to a curriculum in Exercise and Sport Science and (2) the title of the graduate major in Physical Education to a major in Exercise and Sport Science. Regent Johnson-Matthews seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

(g) Change Name of Graduate Major, Iowa State University. The Board Office recommended the Board approve the request from Iowa State University to change the name of the graduate major in Home Economics Education to Family and Consumer Sciences Education for all graduate degrees.

Iowa State University officials requested to change the name of the graduate major in Home Economics Education to Family and Consumer Sciences Education for all department graduate degrees including the Master of Science, Master of Education and Doctor of Philosophy.

This change was consistent with the name of the department, the undergraduate degrees and the current terminology used by the profession. The departmental and the undergraduate names were previously approved by the Board.

The proposal was reviewed by the Board Office and the Interinstitutional Committee on Educational Coordination and both recommended approval.

MOTION: Regent Pellett moved to approve the request from Iowa State University to change the name of the graduate major in Home Economics Education to Family and Consumer Sciences Education for all graduate degrees. Regent Johnson-Matthews seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

(h) Changes in Graduate Degrees, Iowa State University. The Board Office recommended the Board approve proposed changes in graduate degrees in Materials Science and Engineering.

Iowa State University officials requested approval to replace:

- o the M.S. with major in Ceramic Engineering and the M.S. with major in Metallurgy with an M.S. with major in Materials Science and Engineering
- o the Ph.D. with major in Ceramic Engineering and the Ph.D. with major in Metallurgy with a Ph.D. in Materials Science and Engineering.

University officials reported that:

- o A rational plan has been developed to make the transition from the present graduate degrees to the new degrees.
- o Students in the existing programs and newly-admitted students will be allowed to choose whether to continue to graduation on the present degrees or to switch to the new degrees,

The proposal was consistent with the University Strategic Plan in that it was a simplification of the existing graduate degree program structure. The course work to support the degrees can be provided almost completely from a realignment of existing courses.

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

Regent Dorr asked about the rationale for the changes. Provost Kozak responded that the basic rationale was that the program earlier focused on ceramic engineering and metallurgy engineering which was driven by the status of the field. Over the last decade there has been very definite progress in terms of bringing together basic fundamental organizational principles of ceramic engineering and metallurgic engineering so that today those are two aspects of a more organized and unified field. The idea is to bring forward a student to graduation, both at the master's and Ph.D. levels, who has a clear understanding of the overall organizing principles but who focuses on one to two of the areas.

Regent Dorr questioned whether the change would require a significant change in equipment or facilities. Provost Kozak responded that all the renovations and realignments of labs had been accomplished before the proposal was brought forward.

MOTION: Regent Tyrrell moved to approve proposed changes in graduate degrees in Materials Science and Engineering. Regent Newlin seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

(i) Approval of Graduate Minors, Iowa State University. The Board Office recommended the Board approve the request from Iowa State University to establish graduate minors in Spanish, French, German, Latin, and Russian proposed by the Department of Foreign Languages and Literatures in the College of Liberal Arts and Sciences.

The minor program will provide an opportunity for interested graduate students to receive language training that will complement work in their major disciplines.

The minor will assure the quality of background preparation of graduate students writing theses or dissertations using language materials as well as provide formal recognition of student achievement in the various languages.

The proposal was reviewed by the Board Office and the Interinstitutional Committee on Educational Coordination and both recommended approval.

MOTION: Regent Furgerson moved to approve the request from Iowa State University to establish graduate minors in Spanish, French, German, Latin, and Russian proposed by the Department of Foreign Languages and Literatures in the College of Liberal Arts and Sciences. Regent Dorr seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

(i) Approval of Graduate Degree, Iowa State University. The Board Office recommended the Board approve the request from Iowa State University to establish a Master of Family and Consumer Sciences in the College of Family and Consumer Sciences.

This proposed program was approved by the Iowa Coordinating Council for Post-High School Education in April of this year per Board policy. The program was reviewed by the Interinstitutional Committee on Educational Coordination and the Board Office and both recommended approval.

The Board Office review assessed the proposed program based on the Board's criteria for new programs. Below is a summary of that assessment.

Duplication. No other Iowa universities offer degrees in family and consumer sciences. A study of unnecessary program duplication conducted by Peat Marwick several years ago resulted in a reduction or elimination of similar offerings at the University of Iowa and the University of Northern Iowa.

Costs. University officials estimate that the incremental cost for the proposed program over the next three years will total \$7,000.00 and included such general expense items as telephone charges, mailing, advertising and copying. The program will build on the resources already in place in the college. Funding will come from existing funds in the College and Continuing Education as well as a program dropped in 1991.

Centrality. The proposed program was considered to be central to the mission of Iowa State University. The university's mission statement alludes to this general academic area and it includes emphases on graduate education and continuing education, both aspects of the proposed program.

Quality. A review of the university's capacity to offer a degree in this academic area shows that the area is one of considerable strength at Iowa State University. The proposed program will build on courses, staff, equipment, etc., already in place in the college. The only unknowns in this aspect of the assessment were the specific provisions for providing distance learning at various locations in Iowa that ensure students in remote locations having access to the necessary quality resources.

Need/Demand. There are two aspects to meeting these criteria. First, the elimination of similar graduate offerings at the University of Northern Iowa and the University of Iowa coupled with the absence of any other programs in the state creates a statewide need for the program. Secondly, most of the students enrolling in the program, especially at remote sites, are expected to be persons already employed in the field or related fields seeking professional enhancement. The U.S. Department of Labor projects employment of persons in this general field to be better than average.

Advanced Planning. The Iowa State University Planning Progress Report for 1992-93, previously reported to the Board, makes reference to a proposed Masters degree in Family and Consumer Sciences which "will directly meet the needs of mature students who are employed and unable to come to campus to study full-time."

Provost Nathan noted that the proposal was essential to the Iowa State University mission. The quality was high because this area was a considerable strength at Iowa State University. Many of the students will be enrolling at remote sites.

President Berenstein asked for an explanation of the courses that would be included in this kind of a program. Provost Kozak responded that the college will bring forward ideas for areas of specialization which will most likely include human development and family studies, and hotel-restaurant management. There will be no need to hire new faculty.

MOTION: Regent Furgerson moved to approve the request from Iowa State University to establish a Master of Family and Consumer Sciences in the College of Family and Consumer Sciences. Regent Newlin seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

(k) Approval of Undergraduate Degree, Iowa State University. The Board Office recommended the Board approve the proposed Undergraduate Major in Women's Studies at Iowa State University subject to approval of the Iowa Coordinating Council for Post-High School Education.

The proposed program was reviewed by the Interinstitutional Committee on Educational Coordination and the Board Office and both recommended approval.

A summary of the review of this program based on the Board of Regents criteria for new programs is noted below:

Duplication. Currently no school in Iowa offers a formal undergraduate major in Women's Studies. The University of Iowa offers graduate and undergraduate areas of concentration, a graduate major, and an ad hoc Interdisciplinary Ph.D. in Women's Studies (a "concentration" is less than a major and is usually offered in conjunction with a separate disciplinary major). The University of Iowa is considering a proposal for a Ph.D. in Feminist Studies.

The University of Northern Iowa offers an undergraduate minor and the Board recently approved an M.A. in Women's Studies. No other programs in Women's Studies are planned at this time.

Costs. University officials estimate that there will be no incremental cost increases as a result of implementing this program. The courses and resources already exist at the university since the university has offered courses in Women's Studies since 1973.

Centrality. The "vision statement " adopted by the College of Liberal Arts and Sciences as a part of the university's overall strategic planning effort states that "we must

consciously work to integrate the separate parts of learning, to show that the various fields of study are related and to show how differing methods of study are closely connected." University officials feel that Women's Studies fulfills this mission due to its interdisciplinary nature.

Quality. Women's Studies are relatively new on the academic landscape so that national program standards are not available nor is there any kind of accreditation in this program area. The university has taught courses in this area since 1973 and has accrued considerable experience since that time. Additional academic strength for the program stems from the interdisciplinary nature of this program - - the courses and faculty are derived from a number of academic disciplines on the campus.

Need/Demand. A review of enrollment in Women's Studies over the past six years indicates that student interest is high. Between 1987 and 1993 enrollments in Women's Studies courses totaled 7,446 registrations. The employment market for graduates is emerging as more employment fields include Women's Studies in qualifying areas of preparation for jobs. Persons with double majors would have increased opportunities for employment.

Advanced Planning. This general area was noted by the university in its most recent strategic plan as an area of potential development.

MOTION: Regent Johnson-Matthews moved to approve the proposed Undergraduate Major in Women's Studies at Iowa State University subject to approval of the Iowa Coordinating Council for Post-High School Education. Regent Furgerson seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

ACCREDITATION REPORTS. (a) Teacher Education Programs, University of Northern Iowa. The Board Office recommended the Board receive the report.

The State Board of Education on June 10, 1994, granted continuing approval of teacher education programs offered by the University of Northern Iowa for the period July 1, 1994, through June 30, 1999. Approval was received for all 138 specific major and minor undergraduate and graduate-level teacher licensure/endorsement programs.

The University of Northern Iowa met each of the 97 (65 undergraduate and 32 graduate) standards. Many of the individual standards were met with strengths. They included:

- o Highly qualified faculty and quality teaching.
- o Excellent student field experience/student teaching program.
- o Close collaboration of the teacher education program and Iowa schools.
- o The clinical professor/teacher cadre concept in the student teaching program.
- o The university-wide teacher governance structure.
- o The placement of undergraduate and graduate students on such governing bodies as the Council on Teacher Education and the development of undergraduate and graduate student advisory committees.
- o The efficiency and effectiveness of the student monitoring and record keeping system.
- o Evidence of application of surveys and graduate follow-up studies to program change.

Two of the curricula standards were met with serious concerns. The concerns and the university's responses (in *Italics*) follow:

Department of Education Concern:

While all areas of the general education component are covered, a concern does exist. Specifically, a student might slip through the system without a formal educational experience in both the biological and physical sciences. For example, with the program's current design, it could be possible for a student to satisfy the science requirements by taking only the biological science components and, therefore, not participate in the physical science learning process. The program model needs to be examined so that this will not occur.

University of Northern Iowa Response:

Procedures have been initiated to correct this potential program.

Department of Education Concern:

Care must be taken that study in this area [Human Relations] is consistent in all centers and that it does not interfere with the primary purpose of student teaching. This program area needs to be reviewed and the evaluation team recommends that consideration be seriously given to moving the Human Relations course out of the professional semester by placing it earlier in the instructional sequence.

University of Northern Iowa Response:

The Office of Student Field Experiences has just completed a review of Human Relations and is making a number of recommendations, including the following: a) Change the course from a 3-semester hour course to a 2-semester hour course; b) establish strategies for MCNS to be infused into both general education and methods courses; c) initiate formal evaluation of delivery options.

Other concerns highlighted by the Evaluation Team included the following:

Department of Education Concern:

The increasing costs of instructional technology, increased expenses related to networking, and increasing stipends for cooperating teachers demand additional budget allocations to maintain programs at their current level. Otherwise, a reduction in the number of teacher preparation programs and/or enrollment controls should be considered to maintain quality.

University of Northern Iowa Response:

Field-based preparation programs require unusual resource allocations. Finding sufficient resources is an ongoing problem.

Department of Education Concern:

Price Lab facility is in great need for maintenance and a gymnasium.

University of Northern Iowa Response:

The bonding of the new Price Lab School Field House has been approved as have architectural plans. Tentative completion of the new facility is Fall 1995. The current building has undergone a number of important building and maintenance improvements over the past four years.

Department of Education Concern:

More emphasis needs to be placed on this topic at the secondary level [a study of skills and strategies to be used in classroom management of individual, and of small and large groups under varying conditions].

University of Northern Iowa Response:

A proposal to institute a required course in secondary classroom management has been presented to the Council on Teacher Education and it or a viable alternative will be proposed as a part of the new curriculum cycle. Temporary alternatives will be designed to meet perceived needs in this area.

Department of Education Concern:

. . . a great deal of the field experience in which one would apply knowledge gained in the Media course would be at the Lab School. However, much needs to be done at Malcolm Price in terms of the needed improvements in technology in order to facilitate course work in this area.

University of Northern Iowa Response:

Improving technological capacity at MPLS is a high priority of the College of Education. A proposal to use part of student computer fees for that purpose is being considered. Continued annual requests will be made to bring MPLS technology to an acceptable standard.

University of Northern Iowa officials were congratulated on receiving continuing approval for its Teacher Education programs.

Regent Furgerson stated that one of the concerns was a national concern.

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

(b) Physician's Assistant Program, University of Iowa. The Board Office recommended the Board receive the report.

The Committee on Allied Health Education and Accreditation on May 19, 1994, awarded continuing accreditation to the physician's assistant program at the University of Iowa. The next scheduled on-site evaluation will be in 1999. The action was taken at the recommendation of the Accreditation Review Committee, which is sponsored by the American Academy of Family Physicians, the American Academy of Pediatrics, the American Academy of Physician Assistants, the American College of Physicians, the American College of Surgeons, and the Association of Physician Assistant Programs.

The review consisted of the development and submission of a self-study report, an on-site visit and report by three on-site evaluators, and approval by the Committee on Allied Health Education and Accreditation.

The on-site evaluators identified 11 strengths and no concerns regarding the relative adequacy of the program's compliance. They included:

- o The Program Director has a strong commitment to the success of the program; he is enthusiastic, energetic, and highly respected by his colleagues, faculty, students, and higher administration. He is seen as a national leader in PA education and is recognized for his outstanding work on the Annual Report on PA Education and other research related to the PA profession.
- o The program has a high quality student body who demonstrate commitment to the PA profession, motivation, and academic strength. Their level of maturity is reflected in their ability to interact and compete academically with medical and allied health students.
- o The new Medical Director serves as a strong proponent of primary care and is instrumental in identifying additional primary care training sites and undertaking collaborative research projects.
- o Core faculty and staff are professionals who reflect caring and interest in the success of their students. They are approachable and accessible to their students.
- o Basic Science faculty are committed to PA education and are responsive to student feedback. They have close contact with PA program faculty and staff.

- o The Advisory Committee is an excellent resource for admissions and lend a diverse objective perspective to the program.
- o Administration at the Dean and Associate Dean level are highly supportive to the program and are responsive to the financial and other resource needs of the program. They are proud of the national reputation of the program and recognize the importance of continued support.
- o Moving to the Masters level is perceived to be very positive by faculty, administration, and students, particularly in the area of attracting a stronger applicant pool.
- o Program data base is exemplary.
- o Ongoing self-study process is commendable.
- o Clinical training sites offer a diversity of supervised clinical education for students and frequently provide practicing PAs as role models.

The on-site evaluators offered three observations as a "consultative reflection." In their opinion, pursuit of these considerations would enhance the quality of the program.

- o The [prospective student] interview process has a superb record of selecting the highest quality students. However, it is suggested to consider . . . if the intermittent, anecdotal, subjective input by non-interviewers should be used in the admission process when it is not standardized across the applicant pool.
- o The evidence of the Program Director, faculty and staff availability and communication is excellent. Because of the great value the students of the Iowa PA program place in these interactions, it may be helpful to have a formal mechanism to facilitate communication between the chairperson, faculty and the students on a regular basis (weekly).
- o With a large pool of practicing PAs in the region, the program would be encouraged to involve the PAs to have a more integral role in the mentoring, evaluation, and advisory activities.

The university reported that because it was notified of no concerns by the accreditation site visitors, it did not respond to the "consultative reflection", but it has taken note of the points for consideration.

University of Iowa officials were congratulated on receiving continuing accreditation for its physician assistant program.

Vice President Manasse stated that the programs at the University of Iowa and Duke are world renowned.

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

FINAL BUDGET REQUESTS FOR FISCAL YEARS 1996 AND 1997. The Board Office recommended the Board approve the Board Office recommendation of general fund operating appropriations, as follows:

- (1) University of Iowa of \$252,940,164 for FY 1996 and \$260,654,863 for FY 1997;
- (2) Iowa State University of \$214,740,605 for FY 1996 and \$221,438,575 for FY 1997;
- (3) University of Northern Iowa of \$70,966,936 for FY 1996 and \$73,221,053 for FY 1997;
- (4) Iowa School for the Deaf of \$6,585,443 for FY 1996 and \$6,618,298 for FY 1997;
- (5) Iowa Braille and Sight Saving School of \$3,674,479 for FY 1996 and \$3,668,728 for FY 1997;
- (6) Regional Study Centers of \$297,388 for FY 1996 and \$300,330 for FY 1997;
- (7) Instructional equipment for all institutions of \$6,000,000 for FY 1996; and
- (8) Board Office of \$1,235,970 for FY 1996 and \$1,242,468 for FY 1997.

GENERAL
September 7-8, 1994

IOWA BOARD OF REGENTS
FY 1996 AND FY 1997 OPERATING BUDGET REQUESTS AND BOARD OFFICE RECOMMENDATIONS

	FY 1996		FY 1997	
	INSTITUTION	BOARD OFFICE	INSTITUTION	BOARD OFFICE
	REQUEST	RECOMMENDATION	REQUEST	RECOMMENDATION
University of Iowa				
FY 1995 Appropriation	\$243,165,243	\$243,165,243	\$265,500,389	\$252,940,164
Proposed Increases	22,335,146	9,774,921	23,951,235	7,714,699
Total Appropriation Request	265,500,389	252,940,164	289,451,624	260,654,863
Percent Increase	9.19%	4.02%	9.02%	3.05%
Iowa State University				
FY 1995 Appropriation	206,447,960	206,447,960	221,432,214	214,740,605
Proposed Increases	14,984,254	8,292,645	14,430,608	6,697,970
Total Appropriation Request	221,432,214	214,740,605	235,862,822	221,438,575
Percent Increase	7.26%	4.02%	6.52%	3.12%
University of Northern Iowa				
FY 1995 Appropriation	68,123,961	68,123,961	73,523,961	70,966,936
Proposed Increases	5,400,000	2,842,975	4,833,000	2,254,117
Total Appropriation Request	73,523,961	70,966,936	78,356,961	73,221,053
Percent Increase	7.93%	4.17%	6.57%	3.18%
Iowa School for the Deaf				
FY 1995 Appropriation	6,412,510	6,412,510	6,792,695	6,533,443
Proposed Increases	513,000	172,933	333,923	84,855
Total Appropriation Request	6,925,510	6,585,443	7,126,618	6,618,298
Percent Increase	8.00%	2.70%	4.92%	1.30%
Iowa Braille and Sight Saving School				
FY 1995 Appropriation	3,549,152	3,549,152	3,788,011	3,622,479
Proposed Increases	238,859	125,327	205,533	46,249
Total Appropriation Request	3,788,011	3,674,479	3,993,544	3,668,728
Percent Increase	6.73%	3.53%	5.43%	1.28%
Total Regent Institutions				
FY 1995 Appropriation	527,698,826	527,698,826	571,037,270	548,803,627
Proposed Increases	43,471,259	21,208,801	43,754,299	16,797,890
Total Appropriation Request	\$571,170,085	\$548,907,627	\$614,791,569	\$565,601,517
Percent Increase	8.24%	4.02%	7.66%	3.06%

INSTITUTIONAL OPERATING BUDGETS

The Board Office final recommendations for operating budget appropriations exclusive of salary increases for the five Regent institutions of \$548,907,627 for FY 1996 and \$565,601,517 for FY 1997 were submitted for Board approval.

The total recommendations for operating budget appropriations for the institutions, which represented an increase of 4.0 percent for FY 1996 and 3.1 percent for FY 1997, compare to requested increases by the institutions of 8.2 percent and 7.7 percent, respectively. Recommendations were based on the Board of Regents' goals and institutional strategic plans.

Several of the requests to develop instructional resources and technology needed to bring student instruction at the Regent universities to the level of quality envisioned in the Regents' strategic plan of undergraduates were not recommended for funding from State appropriations, but were recommended for funding from the proceeds from the proposed tuition increases.

The primary emphasis of the recommendations were undergraduate education; strengthening research and other creative work; improving access by all lowans to Regent universities; improving the facilities, equipment and operating budgets basic to strong programs of teaching and research; and improving the flexibility, efficiency and accountability of governance of Regent institutions.

The recommended State appropriations for FY 1996 and FY 1997 were allocated by institution and organizational unit as follows:

Recommended Appropriations - Regent Institutions

	<u>FY 1996</u> <u>Recommendation</u>	<u>%</u> <u>Increase</u>	<u>FY 1997</u> <u>Recommendation</u>	<u>%</u> <u>Increase</u>
<u>University of Iowa</u>				
General University	\$198,690,732	4.0	\$205,619,661	3.5
University Hospitals	29,806,675	3.8	30,765,798	3.2
Psychiatric Hospital	7,088,285	1.3	7,149,763	0.9
Hospital School	5,791,967	2.3	5,867,391	1.3
Oakdale	2,942,604	3.9	3,038,691	3.3
Hygienic Laboratory	3,192,163	1.7	3,223,725	1.0
Family Practice	1,989,480	8.1	1,990,264	0.0
SCHS CA/HE	441,703	0.2	442,512	0.2
Special Purpose	<u>2,996,555</u>	<u>17.4</u>	<u>2,557,058</u>	<u>(14.7)</u>
SUI Total	\$252,940,164	4.0	\$260,654,863	3.1
 <u>Iowa State University</u>				
General University	\$158,673,580	4.9	\$164,511,612	3.7
Experiment Station	30,879,668	0.6	31,009,740	0.4
Cooperative Ext. Service	18,571,550	1.7	18,848,278	1.5
IPRT	4,491,218	13.1	5,008,840	11.5
Special Purpose	<u>2,124,589</u>	<u>(2.9)</u>	<u>2,060,105</u>	<u>(3.0)</u>
ISU Total	\$214,740,605	4.0	\$221,438,575	3.1
 University of Northern Iowa				
	\$ 70,966,936	4.2	\$ 73,221,053	3.2
 Iowa School for the Deaf				
	\$ 6,585,443	2.7	\$ 6,618,298	1.3
 Iowa Braille & Sight Saving				
	<u>\$ 3,674,479</u>	<u>3.5</u>	<u>\$ 3,668,728</u>	<u>1.3</u>
 TOTAL APPROPRIATION REQUEST				
	\$548,907,627	4.0	\$565,601,517	3.1

GENERAL
September 7-8, 1994

Iowa Board of Regents
REQUESTED INCREASE IN OPERATING APPROPRIATIONS
FY 1996/FY 1997

Category	Operating Appropriation Increases			
	FY 1996		FY 1997	
	Request	Recom.	Request	Recom.
FY 1995 APPROPRIATION	\$527,698,826	\$527,698,826	\$571,037,370	\$548,803,627
SALARY ANNUALIZATION	2,787,996	1,994,208	1,561,475	0
INFLATION	6,127,260	5,222,568	6,407,974	5,397,030
BUILDING REPAIR	4,225,188	2,726,631	4,210,834	2,726,631
OPENING NEW BUILDINGS	683,528	633,528	389,117	339,117
UNDERGRADUATE EDUCATION	2,410,000	1,800,000	2,410,000	1,450,000
GRADUATE ASSISTANCE	1,650,000	705,000	1,650,000	650,000
HIGHER EDUCATION ACCESS	850,000	750,000	850,000	750,000
CHILD CARE	260,000	0	210,000	0
UNIVERSITY OF IOWA INITIATIVES	14,088,497	3,520,866	16,034,564	2,483,112
IOWA STATE UNIVERSITY INITIATIVES	7,050,000	2,750,000	7,150,000	2,250,000
UNIVERSITY OF NORTHERN IOWA INITIATIVES	2,900,000	1,000,000	2,650,000	750,000
IOWA SCHOOL FOR THE DEAF INITIATIVES	326,790	54,000	140,335	2,000
IOWA BRAILLE & SIGHT SAVING SCHOOL INITIATIVES	112,000	52,000	90,000	0
SUBTOTAL INITIATIVES	<u>24,477,287</u>	<u>7,376,866</u>	<u>26,064,899</u>	<u>5,485,112</u>
TOTAL RECURRING INCREASE	<u>43,471,259</u>	<u>21,208,801</u>	<u>43,754,299</u>	<u>16,797,890</u>
TOTAL APPROPRIATION	<u>\$571,170,085</u>	<u>\$548,907,627</u>	<u>\$614,791,669</u>	<u>\$565,601,517</u>
PERCENT INCREASE	8.24%	4.02%	7.66%	3.06%
ONE TIME FUNDING FOR INSTRUCTIONAL TECHNOLOGY				
University of Iowa	2,000,000	2,000,000		
Iowa State University	2,000,000	2,000,000		
University of Northern Iowa	1,500,000	1,500,000		
Iowa School for the Deaf	250,000	250,000		
Iowa Braille and Sight Saving School	250,000	250,000		
Total One-Time Increase	<u>6,000,000</u>	<u>6,000,000</u>		
TOTAL APPROPRIATION	<u>\$577,170,085</u>	<u>\$554,907,627</u>	<u>\$614,791,669</u>	<u>\$565,601,517</u>

The recommended increases in appropriations for FY 1996 and FY 1997 were allocated as follows:

Salary Annualization

	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
University of Iowa	\$1,137,125	\$0
Iowa State University	606,169	0
University of Northern Iowa	186,000	0
Iowa School for the Deaf	37,128	0
Iowa Braille & Sight Saving	<u>27,786</u>	<u>0</u>
Total	<u>\$1,994,208</u>	<u>\$0</u>

The Board Office recommendation for salary and benefit annualization for FY 1996 covered amounts needed to continue paying salaries and benefits for which commitments already have been made.

Included were annualization of the 2 percent increase on January 1, 1995, and merit step increases for general service staff and related escalation of fringe benefit costs, including FICA. No recommendation was made for FY 1997 since the salary increases to be set by the collective bargaining agreements were not known.

Inflation

	<u>FY 1996 Recommendation</u>	<u>FY 1997 Recommendation</u>
General	\$2,574,805	\$2,639,622
Utilities	1,604,905	1,625,653
Library	<u>1,042,858</u>	<u>1,131,755</u>
Total	\$5,222,568	\$5,397,030

The Board Office recommendation for general price inflation for supplies, services and equipment was 3.0 percent. The amount recommended was less than the 4.2 percent analysis of the Higher Education Price Index (HEPI) by Charles Whiteman, Director of the University Institute for Economic Research.

An 8.5 percent price increase was recommended for library acquisitions based on projections by the university librarians of an inflation rate of 8 percent to 10 percent.

The utilities cost increases were based on the inflationary consumption growth increases projected by each institution and reviewed by the Board Office.

Building Repair

	<u>FY 1996 Recommendation</u>	<u>FY 1997 Recommendation</u>
University of Iowa	\$1,160,697	\$1,160,697
Iowa State University	873,530	873,530
University of Northern Iowa	616,546	616,546
Iowa School for the Deaf	50,858	50,858
Iowa Braille & Sight Saving	<u>25,000</u>	<u>25,000</u>
Total	\$2,726,631	\$2,726,631

Adequate building renewal funds were required to avoid adding to the list of deferred maintenance requirements, to insure steady progress in the removal of fire and other environmental safety deficiencies and to permit renewal of facilities to accommodate the requirements of new technology and teaching and research techniques.

The Board Office recommendation was generated on a formula which is consistent with past Board practice. The recommendation represented the first year of a five-year program to bring building renewal funding up to the minimal level necessary to accomplish these objectives.

Opening New Buildings

	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
University of Iowa	\$314,256	\$305,719
Iowa State University	104,272	33,398
University of Northern Iowa	<u>215,000</u>	<u>0</u>
Total	<u>\$633,528</u>	<u>\$339,117</u>

The recommendation supported the need of the universities to secure adequate funding for the operation of new and remodeled facilities, including maintenance, cleaning and utilities:

- o SUI - Pharmacy Building Addition, UIHC Capital Projects
- o ISU - Carrie Chapman Catt Hall, Animal Science Teaching Farm
- o UNI - Donald O. Rod Library, Center for Energy and Environmental Education Building

No program funding was included.

Undergraduate Education

	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
University of Iowa	\$ 300,000	\$ 300,000
Iowa State University	1,200,000	750,000
University of Northern Iowa	<u>300,000</u>	<u>400,000</u>
Total	<u>\$1,800,000</u>	<u>\$1,450,000</u>

One of the top priorities of the Board of Regents and the institutions is the excellence of undergraduate education at Regent universities.

Funding for the University of Iowa of \$300,000 for each FY 1996 FY 1997 will support additional faculty salaries, instructional development, and student retention efforts. This funding will assist the University of Iowa toward producing an undergraduate teaching and learning environment comparable to peer institutions recognized as highly valuing undergraduates.

Iowa State University will direct an additional \$1 million in FY 1996 and \$750,000 in FY 1997 targeted to freshmen retention. These funds for undergraduate education will be used to further support instruction for freshmen and to expand several pilot projects recently begun to identify and provide support for those freshmen believed to be at risk of dropping out.

The recommended additional funding for improving undergraduate education also included \$200,000 in FY 1996 to expand international experience for students.

In accordance with the University of Northern Iowa's emphasis on high quality undergraduate education, funding of \$300,000 in FY 1996 and \$400,000 in FY 1997 was recommended for additional faculty positions, equipment replacement and improvement of the university's library collection.

Graduate Assistant Compensation, Benefits, Tuition Waivers

	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
University of Iowa	\$350,000	\$350,000
Iowa State University	300,000	300,000
University of Northern Iowa	<u>55,000</u>	<u>0</u>
Total	\$705,000	\$650,000

Funding was recommended for the University of Iowa of \$350,000 each in FY 1996 and FY 1997. An additional \$350,000 in each year will be provided by the institution from reallocations.

This aggregate annual \$700,000 increase for graduate assistant stipends and benefits in each of the next two years will enable the University of Iowa to meet the goals of the Plan to Revitalize Graduate Education by improving net stipends for TAs and RAs to

third rank in the Big Ten and to provide a competitive Health Insurance Allowance (HIA) within three years.

The University of Iowa would be competitive with peer institutions for the best graduate student talent. This three-year plan begun in FY 1995 has been approved by the Board.

Approximately \$100,000 each year will be used to increase the HIA and approximately \$600,000 will be needed to increase stipends.

Under the Revitalization Plan graduate assistant net stipends would be increased an average of approximately 20 percent. The HIA would meet at least 80 percent of the single premium cost of a broad coverage health plan.

Currently, Iowa State University provides graduate assistants half the cost of in-state graduate student tuition. The funds recommended for FY 1996 and FY 1997 will be used to supplement funding for tuition scholarships for graduate assistants who are employed by units receiving state funds.

Funding of \$55,000 was recommended for the University of Northern Iowa to provide health insurance for graduate assistants.

Higher Education Access

	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
University of Iowa	\$150,000	\$150,000
Iowa State University	500,000	500,000
University of Northern Iowa	<u>100,000</u>	<u>100,000</u>
Total	\$750,000	\$750,000

Funding for each of the universities was recommended for additional financial aid for minority students and academic support services to assist in the recruitment and retention of minority students. Success in the minority recruitment programs in the last several years has yielded an increase in new minority admissions and a concomitant increase in demand for financial aid for these new students.

The current level of financial aid available to the universities must be increased if the universities are not to lose the gains that have been made in minority student recruitment.

Child Care

	FY 1996 <u>Recommendation*</u>	FY 1997 <u>Recommendation</u>
University of Iowa	\$0	\$0
Iowa State University	0	0
University of Northern Iowa	<u>0</u>	<u>0</u>
Total	\$0	\$0

*No increases in funding for child care were recommended by the Board Office pending a recommendation by the Issue Study Group on Child Care. The Study Group's recommendation and subsequent Board action to amend the budget request to include funding for child care can be found on page 265 of these Minutes.

Institutional Initiatives

	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
University of Iowa	\$3,520,866	\$2,483,112
Iowa State University	2,750,000	2,250,000
University of Northern Iowa	1,000,000	750,000
Iowa School for the Deaf	54,000	2,000
Iowa Braille & Sight Saving	<u>52,000</u>	<u>0</u>
Total	\$7,376,866	\$5,485,112

UNIVERSITY OF IOWA

	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
Libraries	\$554,000	\$552,000

The addition of \$554,000 in FY 1996 and \$552,000 in FY 1997 to the university libraries budget was recommended to make it possible to more fully meet campus information needs, participate vigorously in the CIC Virtual Electronic Library project and expand service to Iowa citizens.

The University of Iowa Libraries have over the past five years reallocated resources from the materials, general expense and staff budgets in order to respond to the extraordinary changes that have been occurring in collections, technology, and user demands and expectations; however, reallocation of resources for this purpose has been virtually exhausted.

	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
Biosciences Initiative	\$1,600,000	\$1,580,000

The last several decades have witnessed a profound revolution in basic and applied technology growing out of the biological, biomedical and pharmaceutical sciences - the biosciences. Building on its strengths as one of the nation's top ten public health centers, University of Iowa officials proposed an innovative initiative to design, develop and maintain a competitive world-class environment to develop, discover and apply new knowledge and educational processes to achieve national leadership in the selected areas of the biosciences.

The initiative will accomplish its mission through a multi-year partnership among the University of Iowa, specifically targeted private industry, federal government, private fund raising and State appropriations. The recommended State funds would be focused on increasing the already strong core of professional expertise, targeting specifically designed support to ensure timely and effective applications beyond the university, and recruiting, training, and retaining the highest quality students to meet the needs of biosciences of the future.

Funding recommended for FY 1996 and FY 1997 would be utilized for:

- o Additional faculty and professional staff in selected areas in the basic and clinical sciences to build upon existing concentrations of research expertise to refine and integrate the most powerful capacities of the biosciences.
- o Student support to extend faculty productivity and provide a growing pool of professionals to ensure continued development in the future.
- o Outreach expenses to provide bioscience consultants, planning expenses, research marketing, and intellectual property management.

	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
Primary Health Care	\$330,000	\$330,000

Funding of \$330,000 each year was recommended to continue to improve the State's support for the UI Health Center's primary health care initiative. Currently, university officials are formulating an initiative to offer an interdisciplinary experience for health

profession students to practice together in a community-based setting and part of this support will assist the university to attain the goal to fully expand the eight training sites over the next five years for the purpose of interdisciplinary, primary care, and rural health education.

In addition, funding will be utilized for personnel costs, equipment, and supplies to initiate a statewide database of nurses in continuation of the effort to provide a statewide tracking system of health professionals involved in the provision of primary care.

These funds will be used to secure additional family practice faculty to expand family practice educational offerings and strengthening of the teaching, research, and service missions of the department to the benefit of students and the citizens of the state.

	FY 1996
	<u>Recommendation</u>
Family Practice	\$147,000

An additional appropriation of \$147,000 was recommended in FY 1996 to accommodate program expansion by a total of 14 training positions over the current complement of 159.

UIHC

Indigent Patient Care Program - State Appropriation Support Shortfall

FY 1996	FY 1997
<u>Recommendation</u>	<u>Recommendation</u>
\$500,000	\$500,000

Funding of \$500,000 each year was recommended to replace paying patient revenues no longer available to subsidize the Indigent Patient Care Program.

State appropriation support has eroded from 11.06 percent of UIHC's operating budget in FY 1990 to 7.89 percent in FY 1995.

Substantial financial implications arise from the Indigent Patient Care Program's census proportionality holding at 9.52 percent during this period while the State appropriation's support of the total operating budget declined to 7.89 percent.

IOWA STATE UNIVERSITY

	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
Improving ISU's Research Capacity	\$500,000	\$500,000

Funding of \$500,000 for each FY 1996 and FY 1997 was recommended to maintain equipment, provide technical help to allow wider use of research facilities, provide lab animal attendants at the level required for accreditation, and provide services to faculty in processing proposals and awards.

During the past ten years, Iowa State University has had limited ability to develop its research infrastructure, though its sponsored funding for research has increased over three-fold.

The capacity of a university to attract funding for research depends, in part, on its ability to maintain an appropriate research infrastructure.

	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
Healthy Livestock for Iowa	\$1,750,000	\$1,250,000

The recommended funding will enable the College of Veterinary Medicine to continue to provide animal agriculture in Iowa the latest in veterinary health care. The funds would enhance and modernize livestock research, service, and teaching in the college for technicians and graduate students, support a few select faculty positions, and provide equipment to support the teaching and research functions of the college.

	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
Technology Transfer	\$500,000	\$500,000

In accordance with its mission to facilitate technology transfer and to foster economic diversity in Iowa, the Institute for Physical Research and Technology (IPRT) has utilized its State appropriations to lay the foundation for a comprehensive set of programs that will benefit Iowa business and industry in both the near and long terms. The additional funding of \$500,000 each year was recommended to build upon what have been fundamentally pilot activities.

The first priority of this recommended funding would provide a greater level of focused technology assistance to Iowa companies. The recommended funding would be used to develop and commercialize new product or process technologies to create new businesses or to increase the competitiveness of existing Iowa businesses.

	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
Iowa Pork Industry Center	\$100,000	\$100,000

The newly formed Iowa Pork Industry Center has an important role to play in assisting the State of Iowa to maintain and to expand its swine industry. The recommended funding of \$100,000 each in FY 1996 and FY 1997 would provide additional staffing and support costs.

UNIVERSITY OF NORTHERN IOWA

	FY 1996 <u>Recommendation</u>	1997 <u>Recommendation</u>
Professional Development for Iowa's Educators	\$500,000	\$450,000

The sums of \$500,000 for FY 1996 and \$450,000 for FY 1997 were recommended for the University of Northern Iowa to establish model programs leading to master degrees designed to meet the professional needs of Iowa educators.

Five models were envisioned:

- o discipline-specific continuing education, offered statewide, leading to a master's degree;
- o urban education continuing education model involving the university, an urban school district, and professional educational association in the district;
- o mid-size district model involving the university, the school district, teachers, and permitting teachers in neighboring school districts to participate;
- o multi-district consortiums in which the university works with representatives of several rural school districts in providing a master's degree program; and
- o theme-focused, professional development programs with statewide clientele, components of which can be incorporated into graduate programs.

Each model will be evaluated; in FY 1997 successful models will be implemented in additional locations.

	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
Expand Industrial Technology Program	\$500,000	\$300,000

The recommended funding would enable the University of Northern Iowa to expand its Industrial Technology Program. Industrial technologists serve industry by bridging the gap between professional engineers and vocationally-prepared and community college-educated technicians. Because Industrial Technology is built around the intensive use of computing and technical equipment and required clinical instruction, program size is limited.

University Centers at Community Colleges

The issue of university centers at community colleges is being reviewed by the university presidents.

IOWA SCHOOL FOR THE DEAF

	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
Library	\$2,000	\$2,000

In addition to the 8.5 percent inflationary cost for library materials, \$4,000 was recommended over the biennium to augment the instructional reading program by providing age appropriate, high interest materials for skill development and rehearsal in the residence programs.

	FY 1996 <u>Recommendation</u>
School Bus	\$52,000

Funding was recommended for the purchase of an additional State-approved transit style bus, which would assist the school in providing reliable and comfortable bus transportation for students and staff. The school's needs in this area include transporting all students home across Iowa once a month and for academic and athletic activities with other deaf schools which requires travel to surrounding states.

Other than a minibus used for daily transportation of local students, the school currently has only one transit style bus with a capacity of 32 purchased in 1990 and a 1984 bus not reliable for over-the-road transportation.

IOWA BRAILLE AND SIGHT SAVING SCHOOL

	FY 1996
	<u>Recommendation</u>
Vehicle Replacement	\$52,000

Staff currently are driving and/or transporting students in high mileage vehicles which previously have experienced breakdowns. The highest priority of vehicle replacement would be replacement of a school bus.

The school operates five bus routes to transport students home and back to school each weekend during the school year. Because of the distance each bus must travel, the winter weather and the disabled students being transported, safe and reliable buses must be used.

The existing fleet of six buses ranges from a 1992 bus with current mileage of 44,397 to a 1980 bus with current mileage of 139,854.

SPECIAL PURPOSE APPROPRIATIONS

University of Iowa

Funding for special purpose appropriations at the University of Iowa was recommended as follows:

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	FY 1995 <u>Budget</u>	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
Center for Ag Health & Safety	\$ 247,230	\$ 254,647	\$ 262,286
Center Biocatalysis & Bioprocessing	1,284,981	1,323,530	871,202
Center for Advanced Drug Development	496,481	360,000	333,440
Iowa Substance Abuse Consortium	62,032	63,893	65,810
Center for Global/Regional Environ. Research	0	0	0
Center for Health Effects of Environ. Contamination	0	0	0
National Advanced Driving Simulator	273,653	600,000	618,000
Iowa Birth Defects Registry	0	200,000	206,000
State of Iowa Cancer Registry*	<u>188,820</u>	<u>194,485</u>	<u>200,320</u>
Total	\$2,553,197	\$2,996,555	\$2,557,058

*formerly listed as State Tumor Registry

With the exception of FY 1996 funding recommended for the National Advanced Driving Simulator and Iowa Birth Defects Registry, the FY 1996 and FY 1997 recommendations reflected only 3.0 percent inflationary increases.

	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
National Advanced Driving Simulator	\$600,000	\$618,000

This \$33 million project was awarded by the National Highway Traffic Safety Administration after a National Science Foundation competition. The \$33 million NADS facility is scheduled to become operational in 1998.

In advance of its application, University of Iowa officials sought and received commitments by the State to support costs of constructing the facility; these costs were estimated in 1991 to be \$4 million.

Funding to support the National Advanced Driving Simulator (NADS) will come from a combination of Federal, industrial, contributed university and State support. State support for this project will focus on the University of Iowa's developmental costs and actual construction costs of the facility which will house the NADS.

In FY 1996, joint efforts will be accomplished with private industry and other Federal agencies to develop software required to make the NADS operational. NADS design characteristics will have been received from the contractor selected to construct the NADS. A plan for obtaining the NADS building design and an estimated total cost for construction of the NADS facility will have been developed and submitted to Nationapad and sub Highway Traffic Safety Administration which will form the basis for detailed building and facility design.

Funding recommended for FY 1996 was primarily for the initiation of the architectural process. Funding recommended for FY 1997 was based on the FY 1996 recommended funding level plus inflationary increases.

Upon authorization of additional Federal funding for the project, the Board will be requested to amend the FY 1997 State appropriation request to reflect the amount required in FY 1997 for the construction of the project.

Health Registries

The importance of health registries as a basis for research, training, and public health intervention measures has grown immeasurably over the past several years. These registries, including most prominently the tumor registry and the birth defects registry, form the basis for long-term, large population studies of health and disease patterns specifically focused on the people of Iowa.

	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
Iowa Birth Defects Registry	\$200,000	\$206,000

The State Birth Defects Registry is one of three nationally leading programs developed with partial Federal funding to monitor the occurrence of birth defects for an entire state. The funding recommended for FY 1996 and FY 1997 would supplement Federal funding and would reinstate statewide Registry functions lost two years ago.

The recommended special appropriations would allow the maintenance of essential ongoing Birth Defects Registry functions in support of the university and State research and education programs.

The Registry currently provides support to State programs such as the Maternal and Child Health Block Grant, the State educational services, and the Office of Disability Prevention in the Iowa Department of Public Health.

The loss of funding for the Registry would weaken federally-funded research programs in birth defects prevention, genetics and environmental health; additionally, new research initiatives on birth defects and the human genome, which rely heavily on the Registry's data, could be compromised by loss of Registry funding.

	<u>FY 1996</u> <u>Recommendation</u>	<u>FY 1997</u> <u>Recommendation</u>
State of Iowa Cancer Registry (formerly listed as State Tumor Registry)	\$194,485	\$200,320

This Registry is part of the National Cancer Institute's (NCI) Surveillance, Epidemiology, and End Results (SEER) Program dedicated to cancer field studies. The objectives of the Registry are:

- 1) on an ongoing periodic basis, assembling and reporting cancer incidence and mortality data among lowans and reporting these data to the NCI;
- 2) monitoring annual trends in cancer incidence and mortality;
- 3) providing information on changes over time in extent of disease at diagnosis, trends in therapy, and associated changes in patient survival; and
- 4) promoting and conducting studies designed to identify factors amenable to cancer prevention and control.

In FY 1996 and FY 1997, the recommended State of Iowa appropriation would be used primarily to supplement core support for the Registry, including salaries, computer services and equipment, and general expenses. A significant portion of these funds is also used to provide, at the least possible cost, cancer services and educational activities directed toward lowans.

The Registry will continue to update cancer data which will be available to researchers at the University of Iowa, other State entities and other institutions across the nation.

	<u>FY 1996</u> <u>Recommendation</u>	<u>FY 1997</u> <u>Recommendation</u>
Iowa Center for Agricultural Safety and Health	\$254,647	\$262,286

In 1990 the State legislature passed a bill (HF 2548) to form a center to coordinate and focus the State's resources to improve the occupational health and safety of Iowa's

farm families and farm workers. The Center is a joint venture of the University of Iowa, Iowa State University, the Department of Public Health, and the Department of Agriculture and Land Stewardship.

The Center coordinates and develops programs to reduce the incidence of deaths, injuries, and disabilities suffered by farm family members and others engaged in agriculture.

	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
Center for Biocatalysis and Bioprocessing	\$1,323,530	\$871,202

The Center for Biocatalysis and Bioprocessing will serve as the primary contract research facility for biocatalysis and bioprocessing in the state of Iowa. The Center provides state-of-the art fermentation and bioprocessing facilities and equipment to augment basic and applied research, to serve as a magnet for attracting industrial collaboration, and to provide managerial presence which will ensure that the biocatalysis and bioprocessing areas will continue to grow.

Funding recommended for FY 1996 will be utilized for Phase IV of the development. Construction of the Center for Biocatalysis and Bioprocessing laboratory and offices on the Oakdale campus was completed in 1994. The biocatalysis/bioprocessing laboratories will be completely equipped during FY 1995 and FY 1996.

Because the equipping of the Biocatalysis and Bioprocessing Laboratories is scheduled to be completed in FY 1996, recommended funding for FY 1997 reflected the continuation of essential core funding only.

	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
Center for Advanced Drug Development	\$360,000	\$333,440

Through its existing Division of Pharmaceutical Service, the UI College of Pharmacy offers the special capacity to produce under contract limited quantities of new medicines under FDA approval and utilizing an FDA registered facility (the only such comprehensive facility in a College of Pharmacy in the U.S.).

The present budget sought funds to continue support for the companion Center for Advanced Drug Development, located in the Physiology Research Building on the Oakdale Research Campus. This Center addresses a crucial economic need to

shorten the lead time between new pharmaceutical discoveries in the laboratory and their commercialization in the market place.

Because pharmaceuticals occupy such an important part of the State's high technology portfolio, continued investment in this Center will increase the State's economic resources in a strongly competitive environment.

Support recommended for FY 1996 and FY 1997 will permit broad chemical analytical and bioanalytical services to the client base, while substantially extending the total capacities of the well-established Pharmaceutical Service Division.

Included in the recommended funding was support for renovating space on the Oakdale campus to accommodate additional space required for laboratories to support bioanalytical testing and office space to accommodate staff; space renovation needs are greater in FY 1996.

	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
Iowa Substance Abuse Consortium	\$63,893	\$65,810

The Consortium facilitates multidisciplinary and multiorganizational research and evaluates substance abuse prevention and treatment efforts in the state of Iowa. The Consortium's Advisory Board includes representatives from the University of Iowa, University of Northern Iowa, Iowa State University, Drake University, State departments of Public Health, Education, Public Safety, Correction and Human Services, and representatives from local substance abuse service agencies.

The Consortium is currently housed on the University of Iowa's Oakdale campus.

Funds recommended for FY 1996 and FY 1997 will support continuation of the Consortium's unique capacity for statewide relationship building, project development and assistance in preparing grant and contract proposals.

IOWA STATE UNIVERSITY

Funding was recommended for special purpose appropriations, as follows:

	FY 1995 <u>Budget</u>	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
Small Business Development Center	\$1,151,173	\$1,179,521	\$1,206,843
Leopard Center	560,926	564,814	568,818
Livestock Disease Research	276,186	280,254	284,444
Livestock Producers Assistance Program	<u>200,000</u>	<u>100,000</u>	<u>0</u>
Total	\$2,188,285	\$2,124,589	\$2,060,105

Minimal adjustments were recommended for salary annualization and general inflation, consistent with all other budget unit recommendations. The reduction in Livestock Producers Assistance Program was consistent with planned phase-out of appropriations for this program.

	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
Small Business Development Center	\$1,179,521	\$1,206,843

The Iowa Small Business Development Centers (SBDC) are significant service providers for small business in Iowa. Additional funds appropriated in FY 1995 were budgeted for salaries and \$60,000 will be used to establish a "subcenter" at Iowa Central Community College in Ft. Dodge.

	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
Leopold Center for Sustainable Agriculture	\$564,814	\$568,818

The Leopold Center for Sustainable Agriculture supports research, demonstration, and education programs throughout the state to develop profitable farming systems that conserve natural resources. It does this through a combination of competitive grants, interdisciplinary research teams, coordination of information transfer, and publications.

The general fund support for the Leopold Center is devoted to the competitive grant program operated by the Center.

In addition to State appropriated funds, the Center conducts interdisciplinary programs, educational programs, and administration with approximately \$1 million received from the Agricultural Management Account.

	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
Livestock Disease Research	\$280,254	\$284,444

The Livestock Disease Research Program provides funding for research projects of major importance to the livestock industries of Iowa. The program is administered through the College of Veterinary Medicine with major advisory involvement of the Iowa Livestock Health Advisory Council (ILHAC).

The membership of this organization includes representatives from the major livestock commodity groups and the Iowa Veterinary Medical Association.

Proposals are prepared by faculty in response to notification by the Associate Dean for Research and evaluated competitively by the College Research Advisory Committee. Final review and judgment regarding approval and level of funding is made by the ILHAC.

	FY 1996 <u>Recommendation</u>	FY 1997 <u>Recommendation</u>
Livestock Producers Assistance Program	\$100,000	\$0

The Livestock Producers Assistance Program (LPAP) provides funding for educational programs which directly serve the needs of livestock producers statewide through Iowa State University Extension. Programs targeted to the swine, beef, and dairy industries will allow producers to make appropriate production and management changes in order to increase their long-term competitive position during the 1990s.

REGIONAL STUDY CENTERS

The Board Office recommended funding from the State of Iowa for the regional study centers for FY 1996 and FY 1997.

Three regional study centers serve residents of Iowa who are geographically distant from Regent campuses. These are the Quad-Cities Graduate Study Center in the southeastern part of the state; the Southwest Iowa Regent Resource Center in the southwest part of the state; and the Tri-State Graduate Studies Center in the northwest part of the state.

The Board Office recommendations included increases only for 3.0 percent general inflationary cost increases, based on the Iowa share of the Centers' non-personnel costs.

	FY 1995 Budget	FY 1996 Recommendation	FY 1997 Recommendation
Quad Cities Graduate Study Center	\$150,374	\$151,974	\$153,622
Southwest Iowa Resource Center	71,662	72,403	73,167
Tri-State Graduate Study Center	72,535	73,011	73,501
TOTAL	\$294,571	\$297,388	\$300,330

Salary and fringe benefit increases will be considered as part of the Regents' overall salary policy and were not reflected in these recommendations.

The Southwest Iowa Resource Center request for additional staffing was referred to the interinstitutional group which will be discussing university centers at community colleges.

REGENT-WIDE REQUEST FOR INSTRUCTIONAL EQUIPMENT

An urgent need exists at the five Regent institutions for the replacement of outdated, outmoded classroom instructional equipment to enhance or maintain a high quality of instruction. The five institutions requested a total of \$6 million for a one-year request for this instructional equipment, as follows:

University of Iowa	\$ 2,000,000
Iowa State University	2,000,000
University of Northern Iowa	1,500,000
Iowa School for the Deaf	250,000
Iowa Braille and Sight Saving School	<u>250,000</u>
TOTAL	\$ 6,000,000

BOARD OFFICE BUDGET

The requested budget for the Board Office for fiscal year 1996 reflected a 6.2 percent increase in total expenditures and a 9.9 percent increase in appropriations. The

proposed budget included two analysts for the office, one in Business and Finance and one in Human Resources, to address severe problems of work load in those units.

It was recommended that the accountant be increased from 62 percent to 75 percent time in order that the heavy workload can be handled. The proposed salaries for the two analysts were \$35,000 each plus fringe benefits with a total supporting expense of \$10,000 during the first year. The supporting costs in fiscal year 1997 were reduced to \$5,000 by the elimination of one-time equipment purchases after 1996.

The addition of two full-time staff members plus an FTE increase of .15 in the Accounting Specialist will still leave the office a net of five FTE positions below the funded level of ten years ago.

These additional resources are necessary if the responsibilities of the staff in assisting the Board in effective governance of the institutions are to be met.

President Rawlings referred to the biosciences initiative and expressed appreciation for the change made by Mr. Richey from last month to this month. The Board Office recommended \$1,600,000 for fiscal year 1996. He said that funding of this initiative provided a great opportunity for the initiative to have a major impact on the university and the state.

Vice President True expressed appreciation to Director Houseworth of the Board Office also for helping work through the biosciences funding with university officials. He said the Board Office recommendations were responsive to university requests. He addressed several items that had changed since last month. Funding for opening the new Pharmacy Building addition was appreciated as well as funding for the Iowa Birth Defects Registry. He said the registry has never received recognition by the State. It is a federally-funded program. He echoed President Rawlings' appreciation for the recommendation concerning the biosciences initiative.

President Berenstein asked for clarification concerning the driving simulator. Vice President True responded that the University of Iowa has committed operating budget support of \$250,000 for several years to allow development of ideas. Four years ago the State made a commitment to support the project when the university applied for the grant award. It was estimated 4 to 5 years ago that \$4 million in State funding would be required for the capital commitment. The State's commitment was displayed to Federal agencies and Iowa's congressional leadership. He is hopeful that construction planning can begin in 1996. Later this month a congressional conference committee will meet to address the project's funding. He noted that a substantial amount of university funds had already been spent.

President Berenstein noted that the university had gone through this conference committee process several times. What was the feeling of university officials as to the outcome?

President Rawlings said the university had already, in essence, received word that the contract had been assigned to the University of Iowa. The university expects to receive a substantial amount of Federal funding for the project. Each year the federal conference committee decides how to apply funds for the next year. The University of Iowa has the contract; however, there are always efforts to cut the Federal budget. University officials "hold their breath" at this time each year.

President Berenstein said he has always been concerned about the University of Michigan and their unhappiness that they did not get the project.

President Rawlings said that was one of the reasons each year that they hold their breath. University officials have spoken with Mr. Richey about how to structure the budget request because of the uncertainty.

President Jischke offered a vote of thanks to Mr. Richey for the constructive discussion about Iowa State University's budget request. He was very pleased to see the recommendation for funds to improve undergraduate education, the graduate program and graduate assistant stipends. The funding for healthy livestock was very important because it is the leading industry in Iowa. Iowa State University must be a leader in veterinary medicine. He concluded by stating that the Board Office recommendation was a good one and he was pleased to support it.

President Curris said the budget request development process this time was one of the more constructive processes that he could recall. He expressed appreciation to Mr. Richey, Ms. Houseworth and other Board Office staff. He said that areas of disagreement were resolved in a healthy manner while the priorities of the University of Northern Iowa were reflected in the final recommendation. The cooperative spirit was heartening. The recommendations were not in the total amount requested because they were modest, fitting the times.

President Curris said he was especially grateful for continuing support for the infrastructure of the institution's operations. He was pleased with the support of the initiative for professional development of Iowa's teaching force and for the recommendation to expand the university's industrial technology programs to address the growing manpower needs in the state of Iowa.

Regent Furgerson addressed all three universities. She said that one concern of the Iowa Coordinating Council for Post-High School Education is articulation. She attended the opening of the Iowa State University Northeast Iowa Area Extension Office/Outreach Center at Hawkeye Community College. She noticed that University of Northern Iowa officials plan to open a similar center at another community college. If this trend continues will it be something the Regents will have to address as a policy issue so the institutions cooperate and do not compete with each other?

President Curris stated that all three Regent university presidents that day had an opportunity to discuss the very questions raised by Regent Furgerson. They want to return to the Regents with suggestions on how they should proceed. The Board established a Regent Resource Center in Southwest Iowa which was a fine example of cooperation among the universities. There should not be unnecessary competition, the institutions should fulfill their missions, and they need to maximize the funds available. He said they had not resolved all the issues but had a very constructive meeting earlier that day. He stressed the importance of cooperating fully on behalf of the entire Regent system wherever that is possible.

Superintendent Johnson expressed the appreciation of Iowa School for the Deaf officials for the Board Office recommendations. The recommendation for funding for instructional technology equipment was very important to the school.

Superintendent Thurman stated that Iowa/ Braille and Sight Saving School officials were also very appreciative of the Board Office support. He thanked Ms. Houseworth and Mr. Richey particularly for the recommendation for a school bus and for including the school in the technology request this year. He said the advances in technology for blind students was amazing.

MOTION: Regent Furgerson moved to approve the Board Office recommendation of general fund operating appropriations, as presented*. Regent Tyrrell seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

* This motion was later amended to add \$185,000 for the provision of child care; see page 265 of these Minutes.

FINAL CAPITAL REQUESTS FOR FISCAL YEARS 1996 AND 1997. The Board Office recommended the Board (1) approve the Board Office final recommendations for general fund capital budget requests of \$54,697,000 for FY 1996 and \$62,807,000 for FY 1997; and (2) approve tuition replacement appropriation requests of \$28,200,200

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for FY 1996 and \$28,147,220 for FY 1997 with the understanding that FY 1996 needs will be reassessed by November 15, 1994.

FY 1996 and FY 1997 General Fund Capital Budgets

The Board Office final FY 1996 general fund recommendations totaled \$54.7 million; the FY 1997 recommendations totaled \$62.8 million.

The project priorities recommended were consistent with priorities previously approved by the Board. The highest priority projects recommended for fiscal years 1996 and 1997 correct fire and environmental safety concerns and provide for disabled student access and deferred maintenance.

(\$ Thousands)

		General Fund									
Inst.	Project	Inst. Priority	FY 1996 Request	Bd. Ofc. Priority	FY 1996 Recommendation	Inst. Priority	FY 1997 Request	Bd. Ofc. Priority	FY 1997 Recommendation	Total Recommendation	Other Funds
SUI, ISU, ISD	Fire and Environmental Safety	1	\$2,598	1	\$2,125	1	\$2,805	1	\$2,150	\$4,275	
ISD, IBSSS	Disabled Student Access	1,2	125	2	50	2	161	2	111	161	
All	Deferred Maintenance	2,3	16,570	3	11,822	2,3	17,159	3	13,339	25,161	
ISU	Intensive Livestock Research Facilities	4	15,000	4	15,000	4	10,540	4	10,540	25,540	
SUI	Biological Sciences Renovation / Replacement	3	14,950	5	10,000			5	4,950	14,950	
ISU	Engineering Teaching and Research Complex	5	9,000	6	9,000	5	10,000	6	8,000	17,000	\$29,000
UNI	Performing Arts Center	1	8,800	7	4,400			7	4,400	8,800	9,000
SUI	Renovation of Engineering Facilities	4	1,500	8	800	3	8,500	8	7,500	8,300	
SUI	Bio-Medical Research	5	4,511	9	1,500	4	20,296	9	5,000	6,500	
ISU	Livestock Units for Swine and Cattle Research	6	4,000					10	4,000	4,000	
UNI	Steam Distribution System Replacement Phase I	4	2,600					11	1,300	1,300	
SUI	Chemistry Building Remodel	6	687			5	6,532	12	687	687	
UNI	Auditorium Remodel	5	9,700					13	830	830	
Total			\$90,041		\$54,697		\$75,993		\$62,807	\$117,504	\$38,000

New construction and renovation projects recommended for the two fiscal years included:

- ISU - Intensive Livestock Research Facilities
- SUI - Biological Sciences Renovation/Replacement
- ISU - Engineering Teaching and Research Complex
- UNI - Performing Arts Center
- SUI - Renovation of Engineering Facilities
- SUI - Bio-Medical Research
- ISU - Livestock Units for Swine and Cattle Research

ISU - Intensive Livestock Research Facilities (\$25.54 million)

The sum of \$2 million was authorized during the 1994 legislative session to begin planning. The FY 1996 recommendation included \$15 million for the Kildee Hall Addition; the FY 1997 recommendation of \$10.54 million will complete the project.

SUI - Biological Sciences Renovation/Replacement (\$14.95 million)

The sum of \$10 million was recommended for FY 1996; remaining funds were recommended for FY 1997.

ISU - Engineering Teaching and Research Complex (\$17 million)

The FY 1996 Board Office recommendation included \$9.0 million for this project; this sum along with \$21.4 million in private gifts and Federal funds will provide for Phase 1 construction. The sum of \$8 million was included for FY 1997. The FY 1997 recommendation, private gifts and FY 1988 funding will fund Phase II construction.

UNI - Performing Arts Center (\$8.8 million)

The total project cost of \$17.8 million included \$9 million in private funds. The sum of \$4.4 million was recommended for each year of the biennium.

SUI - Renovation of Engineering Facilities (\$8.3 million)

Since the July Board meeting, the university reduced the scope and cost of its engineering request from an addition/renovation project (\$37 million) to a modernization project (\$18 million) with the State request providing primarily for renovation of the existing complex.

The Board Office recommendation provided only for renovation of facilities to enable the college to take advantage of major advances in engineering education.

The total project cost for the recommended renovation was estimated at \$15.8 million. The sum of \$800,000 was recommended for planning in FY 1996; the sum of \$7.5 million was recommended in FY 1997. The project would be completed in FY 1998 with an additional \$7.5 million appropriation.

Any engineering construction of new facilities would need to be funded from sources other than State appropriations because State funds were not recommended for that purpose.

SUI - Bio-Medical Research (\$6.5 million)

University officials requested \$4.5 million in planning funds for FY 1996 and \$20.3 million in construction funds for FY 1997. (Total five-year State request - \$51.5 million).

The Board Office recommendation included \$1.5 million for FY 1996 to begin planning this project, for which a total State commitment of \$30 million was recommended. The FY 1997 recommendation was \$5 million.

Completion of State funding for the project in FY 1998 - FY 2000 was recommended with an additional \$23.5 million.

Other funds will supplement the recommended State funding to complete planning and will provide for additional construction if the scope of the project is to exceed \$30 million.

During planning the university will examine the feasibility of remodeling older areas of the UIHC (to be vacated when the Pappajohn and Pomerantz Family Pavilions are completed) for Bio-Medical Research, as suggested by the Board Office in the preliminary recommendations.

ISU - Livestock Units for Swine and Cattle Research (\$4 million)

The FY 1997 recommendation will complete this project. The sum of \$3 million was authorized by the 1994 legislature for this project. The FY 1997 recommendation included partial funding of the Steam Distribution System Replacement, Phase 1, at the University of Northern Iowa.

Planning funds to begin remodeling the Chemistry Building at the University of Iowa and the Auditorium at the University of Northern Iowa were recommended for FY 1997.

Projects requested but not recommended for funding in FY 1996 or FY 1997 included:

University of Iowa

Power Plant Steam and Electric
Instructional Technology Facilities Remodel (planning)

Iowa State University

Gilman Hall Addition - Systems Upgrade (This was the only project previously approved, but was not recommended; it was shifted by the university to its lowest priority request for fiscal years 1996 and 1997.)

University of Northern Iowa

Physics Building Remodel (planning)
Steam Distribution System Replacement, Phase II
McCollum Science Hall Addition
East Gym (planning)

Iowa School for the Deaf

Recreation Complex

These projects were included in the out years (FY 1998 - FY 2000) of the Board Office final recommendations for the five-year general fund capital priority plan.

For FY 1995 the Board requested projects totaling \$62.9 million; projects totaling \$29 million were funded during the 1994 legislative session.

Tuition Replacement Appropriations

Tuition replacement appropriations represent an ongoing commitment of the Governor and General Assembly to meet the debt service cost of academic building revenue bonds. Tuition and fee revenues are used for debt service payments on academic building revenue bonds. The tuition replacement appropriation replaces that university revenue.

The FY 1995 tuition replacement appropriation and estimated expenditures were \$25,843,645. Anticipated tuition replacement expenditures and the FY 1996 appropriation request totaled \$28,200,200. The FY 1997 appropriation request was \$28,147,220.

Board Office staff will work with the Department of Management and the Legislative Fiscal Bureau to refine the FY 1996 estimates during fall 1994. Every effort will be made to reduce this request during the next two months.

Tuition replacement needs are comprised of debt service payments (principal and interest), less the net interest earned on the bonds' reserves and earnings from investment of bond proceeds during construction.

Estimates of the tuition replacement appropriations needed depend on changing interest rates and speed of construction drawdowns among other factors.

Mr. Richey stated that the recommendations had been revised since the July meeting. Most of the recommendations were basically on a cash flow basis and several carry significant outside funding with them.

President Rawlings stated that the University of Iowa capital requests mirrored the operating budget requests. The biosciences were again the dominant theme. The biological science remodeling project of \$14.9 million was essential to this purpose. He noted that Mr. Richey had recently been to the campus to look at the facility and agreed that it is in sad need of repair and maybe even replacement. The Chemistry Building requires modernization of the east wing which would also be a great help to the biosciences initiative. The Biomedical Sciences Building for \$51.5 million (\$30 million of which would be State funded) was critical if they were to continue to make progress in research in areas where the university has been very successful for the last 6 or 7 years. The initial request was for \$1.5 million in planning money which he said was absolutely vital in FY 1996 to get the College of Medicine and the other associated research entities up and running in time for it to play a part in the initiative.

President Rawlings noted that the renovation of the Engineering Facility represented a change from the university's prior request. He said this project would also have an impact because biomedical engineering is clearly going to be important in the biosciences initiative.

Regent Hendricks asked how much of the Oakdale research campus is currently occupied. President Rawlings responded that it was 100 percent occupied which was one of the reasons university officials were so interested in bringing a new project to the Board in the near future for additional space at Oakdale.

President Jischke discussed the relationship between Iowa State University's strategic plan and its capital budget requests. With regard to the Intensive Livestock Research Facilities, he said the Governor and legislature had already appropriated planning funds. The facility was very important both for the College of Agriculture and the College of Veterinary Medicine. The Engineering, Teaching and Research Complex was central to the strategy for the engineering college. The complex is a \$58 million project, half of which university officials were requesting State support. The other half

was being raised from both private and Federal funds. Iowa State University officials believe the complex will reshape the character of engineering education and provide Iowa State University with a platform to be a national leader in engineering education.

Superintendent Thurman stated that Iowa Braille and Sight Saving School officials had developed a 2-year plan to address accessibility in the amount of \$60,000 each year. However, school officials have recently been informed that both of its boilers have to undergo extensive renovation. He asked that the request for FY 1997 include the remainder of what is needed to be done to address accessibility after the utilization of supplemental FY 1994 funds, and that the FY 1996 budget provide for repair of the boilers. After Iowa State University officials look at the boilers, he may come back with a request to replace the boilers since they are 31 and 26 years old.

Superintendent Johnson expressed appreciation for the recommendations of the Board Office for the Iowa School for the Deaf.

MOTION:

Regent Furgerson moved to (1) approve the Board Office final recommendations for general fund capital budget requests of \$54,697,000 for FY 1996 and \$62,807,000 for FY 1997; and (2) approve tuition replacement appropriation requests of \$28,200,200 for FY 1996 and \$28,147,220 for FY 1997 with the understanding that FY 1996 needs will be reassessed by November 15, 1994. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Berenstein asked that, in keeping with the Regents' attempt to better their relations with the State legislature, the Board Office continue its attempts to get legislators to the special schools during the fall period. When legislators hear during the session about needs of the schools they will have seen firsthand what is the current situation.

President Berenstein expressed the Regents' deep debt of gratitude to the four legislative liaisons. Opportunities for legislators to talk to the Regents in informal non-lobbying types of settings are very helpful. He reported that three outreach meetings have been scheduled to take place in October and November at various locations -- Council Bluffs, Mount Pleasant and Des Moines -- for the Regents to meet with various legislators.

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President Berenstein said the Board appreciated Lyle Muller's article in the Cedar Rapids Gazette about the Regents' attempts to improve their relationships with State legislators.

FIVE-YEAR GENERAL FUND CAPITAL PLANS. The Board Office recommended the Board (1) approve the Board Office final recommendation of \$334,277,000 for the five-year general fund capital program for FY 1996 - FY 2000; and (2) give final approval to the five-year program request of \$93,517,000 for the University of Iowa Hospitals and Clinics.

General Fund Capital Program FY 1996 - FY 2000

All State agencies must submit five-year capital project priority plans to the Legislative Capital Projects Committee no later than November 1 of each year. The Board is required by Section 262A.3 of the Code of Iowa to submit a five-year building program to the General Assembly at the beginning of each legislative session.

The Board Office final recommendation was for a general fund plan of \$334.3 million to be financed by appropriations or bonding. In addition, \$38 million in funds from other sources will be utilized for these projects.

TABLE 1
BOARD OFFICE FINAL RECOMMENDATIONS
FIVE YEAR CAPITAL PRIORITY PLAN
GENERAL FUNDS
FISCAL YEARS 1996 THROUGH 2000
(\$ Thousands)

Inst.	Project	FY 1996		FY 1997		FY 1998		FY 1999		FY 2000		TOTAL	OTHER FUNDS	TOTAL COST
		Priority	Amount											
PROJECTS FOR WHICH FY 1996 AND FY 1997 GENERAL FUNDS ARE RECOMMENDED:														
SUI, ISU, ISD	Fire & Environmental Safety	(1)	\$2,125	(1)	\$2,150	(1)	\$2,050	(1)	\$2,050	(1)	\$2,000	\$10,375		\$10,375
ISD, IBSSS	Disabled Student Accessibility	(2)	50	(2)	111	(2)	50					\$211		\$211
ALL	Deferred Maintenance	(3)	11,822	(3)	13,339	(3)	13,228	(2)	12,792	(2)	12,794	\$63,975		\$63,975
ISU	Intensive Livestock Research Facilities	(4)	15,000	(4)	10,540							\$25,540		\$25,540
SUI	Biological Sciences Renovation / Replacement	(5)	10,000	(5)	4,950							\$14,950		\$14,950
ISU	Engineering Teaching and Research Complex	(6)	9,000	(6)	8,000	(4)	10,000					\$27,000	\$29,000	\$56,000
UNI	Performing Arts Center	(7)	4,400	(8)	4,400							\$8,800	9,000	\$17,800
SUI	Renovation of Engineering Facilities	(8)	800	(7)	7,500	(5)	7,500					\$15,800		\$15,800
SUI	Bio-Medical Research	(9)	1,500	(9)	5,000	(6)	10,000	(3)	10,000	(3)	3,500	\$30,000		\$30,000
ISU	Livestock Units for Swine & Cattle Research			(10)	4,000							\$4,000		\$4,000
UNI	Steam Distribution Sys. Replace., Phase 1			(11)	1,300	(7)	1,300					\$2,600		\$2,600
SUI	Chemistry Building Remodel			(12)	687	(8)	6,532					\$7,219		\$7,219
UNI	Auditorium Remodel			(13)	830	(9)	8,870					\$9,700		\$9,700
	Subtotal		\$54,697		\$62,807		\$59,530		\$24,842		\$18,294	\$220,170	\$36,000	\$256,170
OTHER PROJECTS:														
UNI	Physica Building Remodel					(10)	\$300	(4)	\$3,300			\$3,600		\$3,600
ISU	Gilman Hall Addition - Systems Upgrade					(11)	6,947					\$6,947		\$6,947
UNI	Steam Distribution Sys. Replace., Phase II					(12)	3,700					\$3,700		\$3,700
SUI	Power Plant Steam and Electric					(13)	2,400					\$2,400		\$2,400
UNI	McCollum Science Hall Addition					(14)	490	(5)	4,410			\$4,900		\$4,900
SUI	Inst. Technology Facilities Remodel					(15)	527	(6)	5,023			\$5,550		\$5,550
ISD	Recreation Complex					(16)	60	(7)	4,200			\$4,260		\$4,260
ISU	General Classrooms and Auditoriums							(8)	3,000	(4)	\$5,468	\$8,468		\$8,468
UNI	East Gym Remodel							(9)	800	(5)	8,700	\$9,500		\$9,500
SUI	Art Building							(10)	10,300			\$10,300		\$10,300
ISU	Coover Hall (Electrical Engineering)							(11)	1,000	(8)	10,220	\$11,220		\$11,220
SUI	Communications Center Remodel							(12)	1,988			\$1,988		\$1,988
UNI	Steam Distribution Sys. Replace., Phase III							(13)	3,600			\$3,600		\$3,600
ISU	Agricultural and Biosystems Engineering							(14)	500	(7)	18,128	\$18,628		\$18,628
SUI	Seashore Hall Remodel									(8)	12,000	\$12,000		\$12,000
SUI	Power Plant - Repair West Stack									(9)	500	\$500		\$500
SUI	15 KV East Campus Loop K									(10)	750	\$750		\$750
UNI	Industrial Technology Center Addition									(11)	7,800	\$7,800		\$7,800
	Subtotal						\$14,424		\$38,121		\$61,562	\$114,107	\$0	\$114,107
	TOTAL		\$54,697		\$62,807		\$73,954		\$62,963		\$79,856	\$334,277	\$36,000	\$372,277

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The institutional five-year requests and Board Office recommendations from general funds were as follows:

<u>Institution</u>	<u>Total Request</u>	<u>Total Recommendation</u>
SUI	\$159,015,000	\$130,957,000
ISU	\$176,029,000	\$129,299,000
UNI	\$ 98,300,000	\$ 66,200,000
ISD	\$ 10,078,000	\$ 7,270,000
IBSSS	\$ 885,000	\$ 551,000
Total	\$444,307,000	\$334,277,000

The recommendations identified and provided for critical needs related to the missions of each institution.

The recommendations continued the theme of previous years by placing the highest priority on environmental health and safety and deferred maintenance. The recommendations focused on academic/instructional facilities.

The recommendation consisted of two parts. The first part included those projects for which FY 1996 and FY 1997 general funds were recommended.

Continuing the commitment to remove fire and environmental safety and deferred maintenance deficiencies and completing projects for which funds were recommended for FY 1996 and FY 1997 will cost in excess of \$220 million in general funds for the FY 1996 to FY 2000 period (in current dollars).

The second part of the program, totaling \$114.1 million, included other projects, which would begin no earlier than FY 1998.

The institutions identified general fund capital projects totaling \$444.3 million for the five-year period. Projects requested but not recommended include \$12.3 million in utility/telecommunication expansion projects at the University of Iowa and Iowa State University which can be financed by other sources of funds.

Low priority new construction and remodeling projects totaling \$44.4 million were recommended for deferral into the out years.

The Board Office recommendation for a five-year plan was realistic in light of projected available revenue and addresses relative needs among the institutions.

Approval of this five-year capital program did not constitute approval of specific projects but was an estimate of future capital needs.

University of Iowa Hospitals and Clinics

The Board Office recommendation included the University of Iowa Hospitals and Clinics five-year requested plan of \$93.5 million to be financed with patient-generated revenues. The projects were summarized by type, as follows:

New Construction	\$46.8 million
Remodeling/Renovation	38.9 million
Fire and Environmental Safety	<u>7.8 million</u>
Total	\$93.5 million

All projects listed on the five-year plan will be brought forward for specific project approval by the Board.

MOTION:

Regent Tyrrell moved to (1) approve the Board Office final recommendation of \$334,277,000 for the five-year general fund capital program for FY 1996 - FY 2000; and (2) give final approval to the five-year program request of \$93,517,000 for the University of Iowa Hospitals and Clinics. Regent Furgerson seconded the motion.

President Jischke referred to the Engineering Teaching and Research Complex requested by Iowa State University for total State funding of \$29 million with another \$29 million from Federal and private matching funds. He questioned why the Board Office proposal was to request State funding in the amount of \$27 million. Mr. Richey responded that as university officials proceed with planning on the project there would be a review of the State commitment a year hence.

VOTE ON THE MOTION: The motion carried unanimously.

ANNUAL STUDENT AID REPORT. The Board Office recommended the Board (1) receive the annual governance report on student financial aid and (2) request that the financial aid directors undertake the following goals for 1994-95:

- o prepare an updated report on each institution's experience with the Federal Direct Student Loan Program.

- o provide information on actual costs and savings associated with the Federal Direct Student Loan Program.
- o continue monitoring of developments in National Service legislation and inform the Board of activities undertaken to participate.
- o continue to assess the role of institutional aid programs in ensuring access and meeting the needs of a quality and diverse student population.
- o continue to have periodic meetings among the three financial aid staffs to discuss common issues.

Types of Aid Awarded: Grants, Loans or Employment

Regent institutions experienced significant changes from 1992-93 to 1993-94 in the distribution of financial aid among the three categories of grants, loans and employment as shown in the following table:

Category	1992-93	1993-94	Increase/ Decrease from 1992-93 to 1993- 94	Percentage Increase/ Decrease
Grants				
University of Iowa	\$32,357,698	\$31,531,034	(\$ 826,664)	-2.6%
Iowa State University	\$42,412,119	\$38,291,930	(\$4,120,189)	-9.7%
University of Northern Iowa	\$12,166,283	\$11,363,749	(\$ 802,534)	-6.6%
Regent Total Grants	\$86,936,100	\$81,186,713	(\$5,749,387)	-6.6%
Loans				
University of Iowa	\$39,702,048	\$49,693,995	\$ 9,991,947	25.2%
Iowa State University	\$36,081,907	\$55,583,241	\$19,501,334	54.0%
University of Northern Iowa	\$17,940,318	\$22,853,875	\$ 4,913,557	27.4%
Regent Total Loans	\$93,724,273	\$128,131,111	\$34,406,838	36.7%

Category	1992-93	1993-94	Increase/ Decrease from 1992-93 to 1993- 94	Percentage Increase/ Decrease
Employment				
University of Iowa	\$57,078,706	\$56,740,545	(\$ 338,161)	- 0.6%
Iowa State University	\$31,986,113	\$32,798,565	\$ 812,452	2.5%
University of Northern Iowa	\$ 7,187,012	\$ 8,517,206	\$1,330,194	18.5%
Regent Total Employment	\$96,251,831	\$98,056,316	\$1,804,485	1.9%
All Financial Aid: Total of Grants, Loans, & Employment				
University of Iowa	\$129,138,452	\$137,965,574	\$ 8,827,122	6.8%
Iowa State University	\$110,480,139	\$126,673,736	\$16,193,597	14.7%
University of Northern Iowa	\$ 37,293,613	\$ 42,734,830	\$ 5,441,217	14.6%
Regent Total All Financial Aid	\$276,912,204	\$307,374,140	\$30,461,936	11.0%

Sources of Financial Aid

The following table shows Regentwide changes in a) sources of financial aid and b) tuition and fees from 1989-90 to 1993-94.

Category	1989-90	1993-94	Increase from 1989-90 to 1993-94	Percent Change From 1989- 90 to 1993- 94
Federal Aid	\$114,995,629	\$167,688,368	\$52,926,739	46%
State Aid	\$ 4,212,448	\$ 5,083,843	\$ 871,395	21%
Institutional Aid	\$115,839,218	\$134,601,929	\$18,763,711	16%
Total Financial Aid	\$235,047,295	\$307,374,140	\$72,326,845	31%
Undergraduate Resident Tuition and Fees	\$ 1,826	\$ 2,352	\$ 526	29%

Merit-Based Scholarships

Regent institutions funded merit-based scholarships for a total amount of \$18.5 million in 1993-94. Each institution awarded the following amounts:

University of Iowa	\$ 5.5 Million
Iowa State University	\$ 9.8 Million
University of Northern Iowa	\$ 3.2 Million
Regent University Total	\$18.5 Million

Merit-based scholarships increased from \$12.9 million in 1989-90 to \$18.5 million in 1993-94, an increase of 43.2 percent.

IMAGES Scholarships

IMAGES scholarships targeted for Iowa minorities totaled \$1.5 million in 1993-94. Each institution received the following amounts appropriated by the legislature to fund scholarships in this program:

University of Iowa	\$630,000
Iowa State University	\$630,315
University of Northern Iowa	\$274,112
Regent University Total	\$1,534,427

IMAGES scholarships increased from \$492,168 in 1989-90 to \$1,534,427 in 1993-94, an increase of 212 percent.

Flood Aid

The Regent universities received a total allocation of \$6,255,795 for flood aid in 1993-94. Because much of the financial impact of the flood will be felt during 1994-95, the Federal government allowed most of these funds to be carried forward into 1994-95.

Following is a summary of total flood aid allotments at each university, the amounts spent during 1993-94, and the anticipated expenditures during 1994-95.

University	Flood Aid Allotment	1993-94 Expenditures	Anticipated 1994-95 Expenditures
University of Iowa	\$2,595,143	\$ 191,230	\$ 326,674
Iowa State University	\$2,228,994	\$1,189,458	\$1,039,537
University of Northern Iowa	\$1,431,658	\$ 358,680	\$ 674,000
Total Regents	\$6,255,795	\$1,739,368	\$2,040,211

Federal Direct Student Loan Program

Iowa State University participated as a pilot school during 1993-94 in the new Federal Direct Student Loan Program. So far Iowa State University has processed 13,000 applications under this loan program. University officials reported that this has been the easiest financial aid disbursement period in the school's history as evidenced by lack of lines, complaints, and letters to the Iowa State Daily.

Iowa State University has incurred no increase in on-going costs as a result of participation. Total start-up costs for the Federal Direct Student Loan Program have been \$8,500 to pay for computer software modifications and travel for necessary and required training. A savings of \$13,000 annually has occurred because of reduced long distance calls, mailings to banks and savings and loans, and the staff time involved in these activities.

The University of Iowa and the University of Northern Iowa have elected to participate in the direct loan program starting in 1995-96.

National Service Legislation

All three universities have studied regulations of the National Service Legislation issued on March 23, 1994, and are taking steps that would allow them to participate if the program gets underway.

The complete report on student aid is on file in the Board Office.

Regent Furgerson stated that a recent edition of the Daily Iowan had printed policies and regulations affecting students. She said that was a great idea and suggested that the other two universities' newspapers should do likewise.

ACTION: President Berenstein stated the Board, by general consent, (1) received the annual governance report on student financial aid and (2) requested that the financial aid directors undertake goals for 1994-95, as presented.

REPORT ON TUITION POLICIES AND PROPOSED RATES. The Board Office recommended:

- (1) That the Board give preliminary consideration to approving academic year tuition rates and mandatory fees, effective with the summer session 1995, as shown in Table 1 and described below:
 - (a) Increase all resident tuition categories by 4.2 percent and all nonresident tuition categories by 6 percent except for undergraduate Pharmacy, Pharm. D., and Law tuition at the University of Iowa and resident graduate tuition at the University of Northern Iowa;
 - (b) Continue with the second year of a 4-year program to implement an entry-level Doctor of Pharmacy program at the University of Iowa by increasing resident undergraduate Pharmacy and Pharm. D. tuition by a 4.2 percent base increase plus a 7.5 percent surcharge, and increasing nonresident undergraduate Pharmacy and Pharm. D. tuition by a 6 percent base increase plus a 7.5 percent surcharge;
 - (c) Complete the two-year program initiated last year to increase funding in the College of Law at the University of Iowa in order to strengthen professional skills training by increasing resident Law tuition by a 4.2 percent base increase plus a \$350 surcharge, and by increasing nonresident Law tuition by a 6 percent base increase plus a \$735 surcharge;
 - (d) Complete the two-year program to raise resident graduate tuition rates at the University of Northern Iowa to the level of the other two universities by increasing resident graduate tuition at the University of Northern Iowa by \$179 per academic year (approximately 6.7 percent);

TABLE ONE
PROPOSED REGENT UNIVERSITIES ACADEMIC YEAR TUITION AND FEES FOR 1995-96

	Actual 1994-95				Proposed 1995-96							
	Tuition	Health Fee	Computer Fee*	Health Facility Fee	Total Tuition and Fees	Tuition	Health Fee	Computer Fee*	Health Facility Fee	Total Tuition and Fees	% Increase in Tuition and Fees	Total Dollar Increase
UNIVERSITY OF IOWA												
Undergraduate Resident	\$2,291	\$80	\$84		\$2,455	\$2,386	\$84	\$88		\$2,558	4.2%	\$103
Undergraduate Nonresident	\$8,149	\$80	\$84		\$8,313	\$8,636	\$84	\$88		\$8,808	6.0%	\$495
Undergraduate Resident Pharmacy	\$2,891	\$80	\$84		\$3,055	\$3,228	\$84	\$88		\$3,400	11.3%	\$345
Undergraduate Nonresident Pharmacy	\$8,749	\$80	\$84		\$8,913	\$9,930	\$84	\$88		\$10,102	13.3%	\$1,189
Pharm. D. Resident	\$3,559	\$80	\$84		\$3,723	\$3,976	\$84	\$88		\$4,148	11.4%	\$425
Pharm. D. Nonresident	\$10,686	\$80	\$84		\$10,850	\$12,128	\$84	\$88		\$12,300	13.4%	\$1,450
Graduate Resident	\$2,721	\$80	\$84		\$2,885	\$2,834	\$84	\$88		\$3,006	4.2%	\$121
Graduate Nonresident	\$8,493	\$80	\$84		\$8,657	\$9,002	\$84	\$88		\$9,174	6.0%	\$517
MBA Resident	\$3,549	\$80	\$84		\$3,713	\$3,698	\$84	\$88		\$3,870	4.2%	\$157
MBA Nonresident	\$9,361	\$80	\$84		\$9,525	\$9,922	\$84	\$88		\$10,094	6.0%	\$569
Law Resident	\$4,137	\$80	\$84		\$4,301	\$4,660	\$84	\$88		\$4,832	12.3%	\$531
Law Nonresident	\$11,454	\$80	\$84		\$11,618	\$12,876	\$84	\$88		\$13,048	12.3%	\$1,538
Medicine Resident	\$8,088	\$80	\$84		\$8,252	\$8,428	\$84	\$88		\$8,600	4.2%	\$348
Medicine Nonresident	\$20,988	\$80	\$84		\$21,152	\$22,248	\$84	\$88		\$22,420	6.0%	\$1,268
Dentistry Resident	\$5,223	\$80	\$84		\$5,387	\$5,442	\$84	\$88		\$5,614	4.2%	\$227
Dentistry Nonresident	\$15,721	\$80	\$84		\$15,885	\$16,664	\$84	\$88		\$16,836	6.0%	\$951
IOWA STATE UNIVERSITY												
Undergraduate Resident	\$2,291	\$80	\$84	\$16	\$2,471	\$2,386	\$84	\$88	\$16	\$2,574	4.2%	\$103
Undergraduate Nonresident	\$7,551	\$80	\$84	\$16	\$7,731	\$8,004	\$84	\$88	\$16	\$8,192	6.0%	\$461
Graduate Resident	\$2,721	\$80	\$84	\$16	\$2,901	\$2,834	\$84	\$88	\$16	\$3,022	4.2%	\$121
Graduate Nonresident	\$7,873	\$80	\$84	\$16	\$8,053	\$8,344	\$84	\$88	\$16	\$8,532	6.0%	\$479
Veterinary Medicine Resident	\$5,225	\$80	\$84	\$16	\$5,405	\$5,444	\$84	\$88	\$16	\$5,632	4.2%	\$227
Veterinary Medicine Nonresident	\$14,003	\$80	\$84	\$16	\$14,183	\$14,842	\$84	\$88	\$16	\$15,030	6.0%	\$847
UNIVERSITY OF NORTHERN IOWA												
Undergraduate Resident	\$2,291	\$80	\$84		\$2,455	\$2,386	\$84	\$88		\$2,558	4.2%	\$103
Undergraduate Nonresident	\$6,097	\$80	\$84		\$6,261	\$6,462	\$84	\$88		\$6,634	6.0%	\$373
Graduate Resident	\$2,655	\$80	\$84		\$2,819	\$2,834	\$84	\$88		\$3,006	6.6%	\$187
Graduate Nonresident	\$6,592	\$80	\$84		\$6,756	\$6,986	\$84	\$88		\$7,158	6.0%	\$402

*Students in Engineering at the University of Iowa and Iowa State University, and in Computer Science and Management Information Systems at Iowa State University currently pay a computer fee of \$240 per academic year. The Board Office recommends that the computer fee for Engineering students at the University of Iowa and Iowa State University be raised to \$320 per academic year, and the computer fee for Computer Science and Management Information Systems students at Iowa State University be raised to \$250 per academic year.

- (e) Increase the computer fee charged to students at all three Regent universities, other than Engineering students at the University of Iowa and Iowa State University, and Computer Science and Management Information Systems students at Iowa State University, from \$84 to \$88 per academic year;
 - (f) Increase the computer fee for Engineering students at the University of Iowa and Iowa State University from \$240 to \$320 per academic year;
 - (g) Increase the computer fee for Computer Science and Management Information Systems students at Iowa State University from \$240 to \$250 per academic year;
 - (h) Increase the student health fee charged at all three Regent universities from \$80 to \$84 per academic year.
- (2) That the special reduced rates for third-year undergraduate Pharmacy students which are in effect for 1994-95 be ended.
 - (3) That general institutional financial aid for students be increased at the same rate as the proposed increase in tuition and mandatory fees to offset the impact on students now receiving institutional financial aid.
 - (4) That the additional tuition revenues be used for implementation of the Doctor of Pharmacy program, for professional skills training in the College of Law, and to develop the instructional resources and technology needed to bring student instruction at the Regent universities to the level of quality envisioned in the Regents' strategic plan.
 - (5) That the Board schedule final action on the proposed tuition and mandatory fee rates at the October Board meeting.

The Board Office submitted recommendations on tuition and mandatory fees rates for the following fiscal year. The Board takes final action on the recommendations at its October meeting.

Legislation requires that tuition and mandatory fees be set no later than the November Board meeting preceding the start of the academic year for which the rates will be effective.

4.2% Increase in Resident Tuition:

The 4.2 percent base increase in resident categories other than resident graduate at the University of Northern Iowa was based on a projected increase of 4.2 percent in the Higher Education Price Index for fiscal 1996.

6% Increase in Nonresident Tuition:

The 6 percent base increase in nonresident categories will cover increased costs due to inflation and generate funds to develop, upgrade and modernize the universities' instructional resources and technology to bring student instruction at the Regent universities to the level of quality envisioned in the Regents' strategic plan.

Increase in Resident Graduate Tuition at the University of Northern Iowa:

The recommended 1995-96 increase in the University of Northern Iowa's resident graduate tuition will complete the two-year plan initiated by the Board last year to equalize UNI's resident graduate tuition with the other two universities. The total percentage increase for UNI's resident graduate tuition and fees was 6.6 percent.

The equalization in resident graduate tuition will strengthen graduate programs at the University of Northern Iowa and reduce any misconceptions of differences of quality among the Regent universities.

Increases in Pharmacy Tuition at the University of Iowa:

In order to assure adequate funding for the continuing implementation and development of the Pharm. D. program, the Board Office recommended that a 7.5 percent tuition surcharge be added to the basic 4.2 percent resident and 6 percent nonresident undergraduate Pharmacy and Pharm. D. tuition increases for 1995-96.

The total percentage increases in Pharmacy tuition and fees was 11.3 percent for residents and 13.3 percent for nonresidents.

Last year the Board approved plans to phase out the University of Iowa's undergraduate Pharmacy program and replace it with an entry-level Doctor of Pharmacy (Pharm. D.) program. To fund additional costs associated with the Pharm. D. program, it was proposed that both undergraduate Pharmacy and Pharm. D. tuition be raised each year from 1994-95 through 1997-98 by an amount equal to the increase in basic tuition plus a surcharge.

The Board approved a \$600 surcharge for 1994-95 applicable to all Pharmacy students except third-year undergraduates. Surcharges of 7.5 percent were proposed for 1995-96, 1996-97 and 1997-98.

Despite relatively large increases for 1994-95, the University of Iowa's Pharmacy tuition and fees still rank in the lower half of the public Big Ten universities and the university's AAU comparison group.

The recommended tuition increases for 1995-96 were not expected to have a negative impact on enrollments.

Third-Year Undergraduate Pharmacy Tuition

University officials proposed and the Board Office recommended that the special reduced 1994-95 rates for third-year undergraduate Pharmacy students be ended, effective summer session 1995.

As an interim measure, the Board approved a lower 1994-95 surcharge of \$300 for third-year undergraduate Pharmacy students. The lower surcharge was instituted because third-year students could not be tracked directly into the new Pharm. D. program and would not be able to fully participate in the new curriculum.

This lower rate for third-year students was intended to be in effect for only one year because, as fourth year students in 1995-96, these individuals will be able to participate in clerkships created as part of the Pharm. D. program.

Increases in Law Tuition at the University of Iowa:

The Board Office recommended that the two-year program initiated last year to increase funding in the College of Law in order to advance the college's strategic planning goals related to strengthening fundamental lawyer skills training, including writing, counseling, and dispute resolution skills, be completed by increasing resident Law tuition by a 4.2 percent base increase plus a \$350 surcharge, and by increasing nonresident Law tuition by a 6 percent base increase plus a \$735 surcharge.

The total percentage increase in Law tuition and fees was 12.3 percent for both residents and nonresidents. Last year, the Board approved increases in Law tuition for 1994-95 of 4.5 percent plus a \$350 surcharge for residents, and 7.5 percent plus a \$500 surcharge for nonresidents.

Despite the relatively large increases for 1994-95, both resident and nonresident Law tuition and fees continue to rank last among public Big Ten universities.

Among the 11 AAU universities in the University of Iowa's comparison group, the university's resident Law tuition and fees ranks 9th, and nonresident tuition and fees rank 8th.

The recommended increases for 1995-96 were not expected to have a negative impact on enrollments.

How Do Regent Tuition Rates Compare?

Regent 1994-95 resident undergraduate tuition and fees are generally well below the medians of Big Ten public universities, the university's comparison group of AAU universities, Iowa State University's comparison group of land grant universities, University of Northern Iowa's comparison group of comprehensive public universities, and the average for Iowa independent colleges and universities:

	1994-95 Res. Undergraduate Tuition	Regent % Diff. From Median/Aver.	Regent \$ Diff. From Median/Aver.
University of Iowa	\$ 2,455		
Iowa State University	\$ 2,471		
University of Northern Iowa	\$ 2,455		
Big Ten Public U. Median	\$ 3,526	-29.9%	-\$1071
SUI AAU Group Median	\$ 3,230	-23.5%	-\$ 775
ISU Land Grant Group Median	\$ 2,986	-17.2%	-\$ 531
UNI Pub. Comp. U. Group Median	\$ 2,557	-4.0%	-\$ 102
Iowa Independent College Average	\$11,046	-77.6%	-\$8591

During the past 5-years, increases in Regent resident undergraduate tuition and fees have been significantly less than the increases in the median of the Big Ten public universities, the medians of the AAU, land grant, and public comprehensive universities comparison groups, and the average of Iowa independent colleges and universities:

	1 Year % Increase 93-94 to 94-95	1 Year \$ Increase 93-94 to 94-95	5 Year % Increase 93-94 to 94-95	5 Year \$ Increase 89-90 to 94-95
University of Iowa	4.4%	\$103	34.4%	\$ 629
Iowa State University	5.1%	\$119	35.3%	\$ 645
University of Northern Iowa	4.4%	\$103	35.6%	\$ 645
Big Ten Public U. Median	6.1%	\$204	45.7%	\$1,106
SUI AAU Group Median	9.0%	\$266	54.6%	\$1,140
ISU Land Grant Group Median	5.9%	\$168	47.9%	\$ 968
UNI Pub. Comp. U. Group Med.	9.2%	\$214	37.2%	\$ 693
Iowa Independent College Aver.	5.5%	\$573	47.7%	\$3,537

The Regent 1994-95 resident undergraduate tuition and fees rank last among public Big Ten universities, 8th out of the 11 AAU universities in the University of Iowa's comparison group, 8th out of the 11 land grant universities in Iowa State University's comparison group, and 6th out of the 11 public comprehensive universities in the University of Northern Iowa's comparison group.

National averages for 1994-95 were not yet available, but Regent 1993-94 resident undergraduate tuition and fees of \$2,352 were 17 percent below the national average of \$2,838 for public universities, as reported in an annual study by the Washington State Higher Education Coordinating Board.

The University of Iowa's tuition and fees in categories other than resident undergraduate are frequently last and never higher than 6th among the 10 public Big Ten universities. Among the 11 AAU universities in its comparison group, the University of Iowa ranks no higher than 5th and is usually 8th or 9th.

Iowa State University's tuition and fees in categories other than resident undergraduate rank no higher than 7th and are frequently 8th or 9th among the 11 land grant universities in its comparison group.

Against its comparison group of 11 public comprehensive universities, the University of Northern Iowa ranks 6th in resident undergraduate rates, 10th in nonresident

undergraduate rates, 3rd in resident graduate rates and 6th in nonresident graduate rates.

Economic Indicators:

The table below shows the annual percentage increases since fiscal year 1991 in Regent resident undergraduate tuition and fees, the Higher Education Price Index (HEPI), the Consumer Price Index (CPI), and per capita personal income in Iowa and the nation:

	FY1996	FY1995	FY1994	FY1993	FY1992	FY1991
Higher Education Price Index	4.2%*	4.1%*	3.2%	3.4%	3.2%	5.3%
Consumer Price Index	3.4%*	3.3%*	2.5%	3.1%	3.2%	5.4%
Per Capita Personal Income-US**	NA	NA	NA	3.5%	4.9%	2.7%
Per Capita Personal Income-IA**	4.2%*	5.8%*	5.7%*	.2%	6.9%	2.5%
Resident Undergrad. Tuit. & Fees	4.2%*	4.4%	5.6%	7.5%	9.1%	4.1%

* = Projected/Proposed

** = Figures are calendar year rather than fiscal year

NA = Not Available

The 1995 and 1996 projections for the Higher Education Price Index were based on an analysis done by Dr. Charles Whiteman of the Institute for Economic Research at the University of Iowa, which found that, in recent years, the increase in the Higher Education Price Index has been about .6 percent - 1 percent more than the increase in the Consumer Price Index.

The projected increases in the Consumer Price Index for 1995 (3.3 percent) and 1996 (3.4 percent) were based on the consensus forecast of 50 national forecasters surveyed by Blue Chip Economic Indicators.

The very small increase (.2 percent) in Iowa per capita personal income in 1993 has been attributed to the effects of last year's floods.

Over the five-year period 1988-1993 the 27.8 percent increase in Iowa per capita income has kept pace with the national increase of 25.3 percent. In 1993, Iowa's per capita personal income of \$18,315 ranked 35th among the 50 states and was 88 percent of the national average of \$20,817.

Using the proposed 1995-96 tuition and fees, Regent resident undergraduate tuition and fees would increase 34.6 percent over the five-year period 1991-96. Over the

same period the Higher Education Price Index is projected to increase 19.4 percent, the Consumer Price Index 16.5 percent, and Iowa per capita personal income 26.7 percent.

Income in Relation to Tuition and Fees:

The following table lists the 10 states represented in the Regent universities AAU, Land Grant, and Public Comprehensive University comparison groups, along with other states contiguous to Iowa, and shows the average public university resident undergraduate tuition and fees charged in each state as a percentage of each state's per capita personal income:

	1993	1992	1991	1990	1989	1988
IOWA	12.8%	12.2%	12.1%	11.4%	11.7%	11.9%
Arizona	10.2%	9.1%	9.5%	9.5%	9.1%	8.5%
California	18.2%	15.2%	12.9%	9.7%	8.5%	8.2%
Illinois	15.5%	15.9%	15.5%	14.8%	15.4%	16.0%
Indiana	14.9%	14.6%	14.4%	13.2%	13.1%	13.7%
Michigan	25.0%	23.4%	21.7%	20.2%	19.3%	19.2%
Minnesota	16.4%	16.2%	15.2%	14.5%	14.2%	14.9%
Missouri	15.9%	14.7%	13.9%	11.9%	11.5%	11.4%
Nebraska	11.6%	11.2%	11.3%	11.0%	11.3%	11.2%
North Carolina	7.6%	7.0%	7.2%	6.5%	6.5%	6.1%
Ohio	14.9%	14.7%	14.2%	13.4%	13.2%	13.0%
South Dakota	12.3%	12.1%	12.1%	12.0%	12.8%	13.3%
Texas	7.7%	7.7%	7.3%	6.0%	6.2%	5.9%
Wisconsin	12.8%	12.3%	12.2%	12.1%	12.2%	12.1%
National Average	13.6%	13.1%	12.6%	11.5%	11.1%	11.0%

Regent tuition and fees as a percentage of Iowa per capita personal income are less than the percentages in most other midwestern states and the nation as a whole. Tuition and fees as a percentage of per capita personal income have been rising more slowly in Iowa than in the nation as a whole. Tuition and fees as a percentage of per capita personal income should decline in Iowa with the proposed tuition and fees and the projected increases in per capita personal income for 1994-95 and 1995-96.

Tuition and Fees and Institutional Costs:

In July the Board received the biennial report on the 1992-93 unit costs of instruction at the Regent universities. The following tables contain information on Regent resident and nonresident undergraduate tuition and fees, estimates of unit costs for 1994-95

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and 1995-96 prepared by the universities, and actual unit costs from the biennial reports covering 1992-93, 1990-91, and 1988-89.

University of Iowa	% Change 1988-89 to 1994-95	1994-95	1993-94	1992-93	1990-91	1988-89
Resident Undergrad. Tuit. & Fees % Increase	43.9%	\$ 2,455 4.4%	\$ 2,352 5.6%	\$2,228 17.3%	\$1,900 11.4%	\$1,706
Nonres. Undergrad. Tuit. & Fees % Increase	51.5%	\$ 8,313 7.4%	\$ 7,740 7.6%	\$7,192 15.3%	\$6,240 13.7%	\$5,488
Undergraduate Unit Costs % Increase	55.3%*	\$ 6,712* 3.6%	\$ 6,481* 6.8%	\$6,069 5.9%	\$5,731 32.6%	\$4,323
University Composite Unit Costs % Increase	44.9%*	\$10,763* 3.8%	\$10,368* 7.2%	\$9,676 5.4%	\$9,179 23.5%	\$7,430

* = Estimate

Iowa State University	% Change 1988-98 to 1994-95	1994-95	1993-94	1992-93	1990-91	1988-89
Resident Undergrad. Tuit. & Fees % Increase	44.8%	\$2,471 5.1%	\$2,352 5.6%	\$2,228 17.3%	\$1,900 11.4%	\$1,706
Nonres. Undergrad. Tuit. & Fees % Increase	40.9%	\$7,731 4.7%	\$7,386 5.6%	\$6,996 13.2%	\$6,180 12.6%	\$5,488
Undergraduate Unit Costs % Increase	31.0%*	\$7,138* 3.9%	\$6,867* 5.5%	\$6,509 -1.6%	\$6,612 21.4%	\$5,448
University Composite Unit Costs % Increase	22.5%*	\$8,224* 3.8%	\$7,920* 4.3%	\$7,592 -.9%	\$7,662 14.1%	\$6,714

* = Estimate

University of Northern Iowa	% Change 1988-89 to 1994-95	1994-95	1993-94	1992-93	1990-91	1988-89
Resident Undergrad. Tuit. & Fees % Increase	45.3%	\$2,455 4.4%	\$2,352 5.6%	\$2,228 17.3%	\$1,900 12.4%	\$1,690
Nonres. Undergrad. Tuit. & Fees % Increase	44.1%	\$6,261 4.5%	\$5,994 7.6%	\$5,570 15.8%	\$4,810 10.7%	\$4,346
Undergraduate Unit Costs % Increase	37.3%*	\$6,582* 2.9%	6,399* 7.4%	\$5,956 14.6%	\$5,199 8.4%	\$4,794
University Composite Unit Costs % Increase	40.6%*	\$7,042* 2.8%	\$6,847* 7.2%	\$6,388 14.7%	\$5,571 11.2%	\$5,008

* = Estimate

It has been Board policy that nonresident students pay, at a minimum, the full cost of their education at Regent universities. The percentage of general university revenue met through tuition income has been rising moderately:

Percentage of General University Revenue from General Funds Met Through Tuition Income

	University of Iowa	Iowa State University	University of Northern Iowa	Regent Universities Combined Total
1990-91	27.0%	29.3%	26.5%	27.8%
1991-92	29.0%	31.0%	29.2%	29.8%
1992-93	29.2%	31.2%	26.9%	29.6%
1993-94	29.4%	32.1%	27.4%	30.1%
1994-95*	30.1%	32.5%	27.5%	30.6%

Tuition Revenues:

Assuming stable enrollments, the estimated increase in gross tuition revenues as a result of the recommended tuition increases are as follows:

Gross Tuition Proceeds	University of Iowa	Iowa State University	University of Northern Iowa
Basic 4.2% and 6% Inc.	\$4,671,000	\$3,942,000	\$1,150,000
Pharmacy Surcharge	\$ 107,000		
Law Surcharge	\$ 228,000		
UNI Res. Grad. Inc.			\$ 52,000
TOTALS	\$5,006,000	\$3,942,000	\$1,202,000

REGENT TOTAL GROSS TUITION PROCEEDS: \$10,150,000

The Board Office recommended that general institutional financial aid for students be increased at the same rate as the proposed increase in tuition and mandatory fees to offset the impact on students now receiving institutional financial aid. The estimated increases in the student financial aid set aside for 1995-96 were:

University of Iowa	\$836,000
Iowa State University	\$434,000
University of Northern Iowa	<u>\$233,000</u>
TOTAL	\$1,503,000

The estimated increase in net tuition revenues, after deducting the student financial aid set aside, were as follows:

Net Tuition Proceeds	University of Iowa	Iowa State University	University of Northern Iowa
Basic 4.2% and 6% Inc.	\$3,891,000	\$3,509,000	\$927,000
Pharmacy Surcharge	\$ 89,000		
Law Surcharge	\$ 190,000		
UNI Res. Grad. Inc.			\$ 42,000
TOTALS	\$4,170,000	\$3,508,000	\$969,000

REGENT TOTAL NET TUITION PROCEEDS: \$8,647,000

Use of Tuition Proceeds:

The Board Office recommended that the net additional tuition revenues after the student aid set aside be used for implementation of the entry-level Doctor of Pharmacy program at the University of Iowa, for professional skills training in the College of Law at the University of Iowa, and to develop the instructional resources and technology needed to bring student instruction at the Regent universities to the level of quality envisioned in the Regent's strategic plan.

Use of Proceeds at the University of Iowa

Doctor of Pharmacy (Pharm. D.). In 1994-95 the College of Pharmacy will hire five FTE faculty to handle the coursework and the increased number of clerkships required by the entry level Pharm. D. program. Six additional faculty will be hired in 1995-96. Half-time clinical faculty will also be added to provide the clerkships.

College of Law. In 1995-96 the College plans to increase funding for the Oral Advocacy Training Program, to fund a visiting minority law teaching trainee, hire a new half time Associate Director of the Writing Resource Center, and hire a new clinical teacher specializing in counseling, dispute resolution procedures, and practice management.

General University. University of Iowa officials indicated they would use general tuition proceeds in four major areas:

- (1) Modernization of Classrooms and Instructional Labs including electrical and lighting upgrades, and preparing rooms for utilization of multi-media technology;
- (2) Library Operations including the use of tuition proceeds to match funds requested in the FY1996 and FY1997 budgets to upgrade library technology, infrastructure, and library staff training to keep pace with the rapid changes occurring in library and information technology;
- (3) Faculty Personal Computing including replacing outdated personal computers used by faculty and to increase faculty access to personal computing.
- (4) Instructional Equipment including the use of tuition proceeds to match funds received as a result of the FY1996 instructional equipment appropriations

request. Projects to be supported include, but are not limited to, the College of Education's fiber optics classroom, and support for interactive instruction over the ICN between the main campus and Cedar Rapids.

Use of Proceeds at Iowa State University

Iowa State University officials indicated they will use the tuition proceeds remaining after deducting the financial aid set aside for instructional technology, including:

- (1) Adding computer laboratories for English writing courses;
- (2) Remodeling and adding modern high technology instructional equipment in a number of classrooms and laboratories throughout the campus, including the addition of a third ICN classroom;
- (3) Extending and improving computer networking for faculty, staff and students; and,
- (4) Expanding library automation.

Use of Proceeds at the University of Northern Iowa

University of Northern Iowa officials indicated they will use the tuition proceeds remaining after deducting the financial aid set aside for some or all of the following:

- o To increase the number of classrooms connected to the ICN;
- o To acquire and install network hardware, communication software, peripheral devices, and other instructional technology equipment;
- o To remodel and rewire classrooms for the use of appropriate technology;
- o To increase support for operations and maintenance of the instructional technology systems including equipment replacement and upgrades of software; and,
- o To enhance access to electronic resources at the Library.

Student Health Fees

The Board Office recommended the student health fee be raised from \$40 per semester to \$42 per semester at all three universities to cover increased costs due to inflation. The increase reflects, after rounding, the projected 4.2 percent increase in the Higher Education Price Index in FY1996.

The student health fee has not been increased since FY1994.

Assuming stable enrollments, the estimated revenue from the recommended 1995-96 student health fees were:

Estimated 1995-96 Student Health Fee Revenues	Estimated 1995-96 Gross Revenues	Estimated Increase From 1994-95
University of Iowa	\$1,823,000	\$ 87,000
Iowa State University	\$2,011,000	\$ 96,000
University of Northern Iowa	\$ 924,000	\$ 44,000
TOTAL	\$4,758,000	\$219,000

Officials of both the University of Iowa and the University of Northern Iowa were considering using student health fee revenues to help finance renovation and remodeling of their student health centers, but no formal plans have yet been developed.

Iowa State University officials are planning to build a new student health center using the proceeds from the student health facility fee discussed below.

Student Health Facility Fee at Iowa State University

No increase in Iowa State University's \$8 per semester mandatory student health facility fee was proposed or recommended. This fee, which was first approved last year and is effective with the 1994-95 academic year, will cover debt service on bonds to be issued to cover costs of the proposed new Student Health Center at Iowa State University. Estimated 1995-96 revenue from the Student Health Facility Fee is \$432,000.

The university has received Board approval to proceed with preliminary project planning and an architect has been hired to provide pre-design architectural services for the new Student Health Center. At the conclusion of the pre-design phase, the university will present the written building program and detailed initial project budget to the Board for approval.

Computer Fees

The Board Office recommended the computer fee charged to students at the three Regent universities, other than Engineering students at the University of Iowa and Iowa State University, and Computer Science and Management Information Systems students at Iowa State University, be raised from \$42 to \$44 per semester. The Board Office recommended the computer fee charged to Computer Science and Management Information Systems students at Iowa State University, be increased from \$120 to \$125 per semester.

The Board Office recommended the increases to cover increased costs due to inflation, to remove the need for larger, extraordinary increases in the future, and to augment the universities' efforts to improve and upgrade instructional resources and technology.

The increased computer fee revenue will supplement the anticipated increases in tuition revenues and appropriations that are earmarked for instructional resources and technology.

The increases reflect, after rounding, the projected 4.2 percent increase in the Higher Education Price Index in FY1996.

Assuming stable enrollments, the estimated 1995-96 revenue from the above recommended computer fees were:

Estimated 1995-96 Computer Fee Revenues	Estimated 1995-96 Gross Revenues	Estimated Increase From 1994-95
University of Iowa**	\$1,798,000	\$ 82,000
Iowa State University**	\$2,025,000	\$ 91,000
University of Northern Iowa	\$ 950,000	\$ 40,000
TOTAL	\$4,773,000	\$213,000

** = Excludes Engineering computer fees at SUI and ISU.

Engineering Computer Fees at University of Iowa and Iowa State University

University of Iowa and Iowa State University officials proposed, and the Board Office recommended, that computer fees for Engineering students at the two universities be increased from \$120 per semester to \$160 per semester. The recommended increase was endorsed by engineering student groups at Iowa State University. University of Iowa officials indicated the need for an increase has been widely discussed with engineering students and they are confident the increase is supported by the large majority of engineering students.

Assuming stable enrollments, the estimated revenue from the recommended 1995-96 engineering computer fees were:

Estimated 1995-96 Engineering Computer Fee Revenues	Estimated 1995-96 Gross Revenues	Estimated Increase From 1994-95
University of Iowa	\$ 511,000	\$127,000
Iowa State University	\$ 962,000	\$239,000
TOTAL	\$ 1,473,000	\$366,000

University of Iowa officials indicated the increased engineering computer fee revenues will allow:

- o The Engineering College to keep up to date with rapidly changing technology by going to a 4-year capital replacement schedule for engineering computer equipment rather than the current 5-year schedule; and
- o Expand access to the Iowa Computer Aided Engineering Network to accommodate increased demand.

Iowa State University officials indicated the increased engineering computer fee revenues are needed:

- o To provide support for annual maintenance of approximately 200 student utilized Project Vincent workstations that have become central to the instructional computing program in a number of engineering programs;
- o To provide hardware maintenance of over 700 student SGI workstations that will be given to the University over the next three years with the stipulation that they be used for academic computing, rather than research; and,
- o To provide regular replacement of obsolete student PC computer laboratories with modern hardware and software.

Student Financial Aid Considerations

The annual governance report on student aid indicated there was a significant increase in student and parent loans and a decrease in Pell grants in 1993-94. The number of students receiving Pell grants dropped 13.7 percent, and the total amount of money awarded in Pell grants dropped 23 percent. Changes in Federal regulations made it more difficult for students to qualify for Pell grants and decreased the amount of the grants for students who did qualify.

For the last several years, the distribution of financial aid among grants, loans and employment at the Regent universities has been roughly equal. In 1993-94 the distribution changed significantly to roughly 42 percent loans, 26 percent grants, and 32 percent employment.

Federal funds accounted for 54.6 percent of total financial aid awarded at the Regent universities in 1993-94, institutional funds accounted for 43.8 percent, and State funds accounted for 1.6 percent. The increased volume of loans and the relatively greater student reliance on loans in 1993-94 means that issues of affordability and access have become more prominent.

American Indian Tuition Proposal

In July the Board received a proposal from the Regent American Indian Student Coordinator to charge resident tuition to nonresident American Indians belonging to tribes that formerly lived in Iowa. The Board Office is conducting a study of this proposal and will present a report and recommendations to the Board at the October meeting.

Estimated Total Cost of Attending Regent Universities

State law requires that the estimated total cost of attending the Regent universities, including room and board and other costs, be published in a docket memorandum along with the final approved tuition and mandatory fees.

The Regent residence systems and financial aid offices have provided the estimated 1995-96 room and board charges and other costs associated with attending the Regent universities. Estimated total costs are:

1995-96 Estimated Total Cost of Attendance	Resident Undergrad. Tuition and Fees*	Room and Board**	Other Costs**	Estimated Total Costs**
University of Iowa	\$2,558	\$3,611	\$3,150	\$9,319
% Increase	4.2%	5.5%	4.7%	4.8%
Iowa State University	\$2,574	\$3,454	\$3,130	\$9,138
% Increase	4.2%	6.5%	4.1%	5.0%
University of Northern Iowa	\$2,558	\$3,135	\$3,055	\$8,748
% Increase	4.2%	7.0%	2.7%	4.6%

* = Proposed
** = Estimated

Actual room and board rates are set in the spring when the effects of such variables as labor contracts, occupancy rates, and the costs for food, utility, and repairs are better known.

President Berenstein noted that the recommendations were preliminary; the Board of Regents will vote on tuition rates in October.

President Curriss stated that University of Northern Iowa officials supported the Board Office recommendations, recognizing that the recommendations were consistent with the Board's policy of recommending adjustment of tuition rates consistent with the increase in the Higher Education Price Index. He noted that tuition rates of public universities elsewhere in the country were increasing faster than Iowa's. There is ample concern nationally about the cost of higher education mounting which is taxing individuals' ability to afford higher education. The latest data indicate that the amount of student indebtedness is growing in a disturbing and alarming manner.

President Jischke stated that the decision to set the rates for tuition was an important decision for the Board. There is the matter of balancing the necessity for adequate funds for educational purposes as costs continue to grow along with a desire, particularly for land grant universities such as Iowa State University, to assure access. He felt that the Board Office had struck a reasonable balance by using the Higher Education Price Index as a guideline. The HEPI is a good measure of inflationary increases in the cost of educational programs. Efforts to expand financial aid opportunities were successful. The cost of higher education is becoming a challenge for a greater number of the student body.

One area in which President Jischke disagreed with the Board Office was with regard to the amount of tuition increase proposed for non-residents versus residents. He said there was not sufficient justification for a differential increase for non-resident students, which has been his view for a number of years.

President Rawlings stated that University of Iowa officials found the Board Office recommendations to be appropriate in a difficult year. He pointed out that the University of Iowa is recognized nationally as one of the best bargains in higher education in the nation by Money Magazine and others, as well. There is an indication at the national level that for the quality and value, the University of Iowa's tuition is appropriate. It continues to be the lowest priced institution in its peer group. Each year the gap between the tuitions grows.

President Rawlings stated that the tuition increase targeted for University of Iowa students was designated for four important purposes which were developed with the

assistance of students: 1) modernization of classrooms and laboratories, 2) library operations, 3) faculty and personal computing, and 4) instructional equipment.

Mr. Richey stated that the proposed increase in tuition would provide approximately \$10.2 million based on current enrollment projections. He said \$1.5 million would be set aside for increased student aid. The remaining \$8.7 million was specifically earmarked for improvement of instructional resources. With regard to the proposed tuition increase for non-residents, he said the 6 percent rate has a factor in it for the building maintenance budgets of the institutions. The recommended 6 percent increase for non-residents ensures that those students participate to a significant extent in the maintenance of facilities. It is very important that the non-resident students pay a part of that cost.

Mr. Richey stated that the recommended resident tuition increase rate tied exactly to the projected increase in the Higher Education Price Index. It was also tied with the proposed increase in State appropriations so the growth in the students' share of the cost is matched by the growth in public support of the institutions.

President Berenstein stated that this was the sixth time that he has had to consider tuition policy. Every year it is a balancing act between administration, students and the Board. They have to consider the ramifications on requests for increases in salaries to keep pace with trends. On the other hand the Regents were not unmindful that regardless of how much tuition is increased it creates a hardship on some students. Each time the tuition policy discussion has occurred since he has been on the Board of Regents, he has emphasized that it is not a situation of we versus them. He reminded the students that last year they had dialogue with the Regents and the recommendation was reduced. He expressed appreciation to Ms. Kasson and the other student body leaders for the open dialogue throughout the year which had helped to facilitate all issues. The spirit of collegiality and congeniality is important. The Regents appreciated students' cooperation and concerns. The comments that students would be making would not go unheeded. He reminded the students that the costs of running the institutions do not decrease. The 4.2 percent recommended increase in tuition was the anticipated increase in the Higher Education Price Index.

President Berenstein recognized Beth Krueger, President, Northern Iowa Student Government.

Ms. Krueger thanked President Berenstein for his remarks. She invited the student body presidents to come forward and asked that Ms. Kasson begin the students' presentation.

Tracy Kasson, Executive Director of United Students of Iowa, thanked the Regents for the opportunity to present the student perspective on the proposed increase in tuition. She said that year after year a magical number is determined at which to set the rate of tuition increase. What failed to be addressed was that tuition is only one component in the total cost of higher education. On average, tuition and fees have increased nearly 100 percent since 1985 for resident undergraduates. The rate of increase was more dramatic for non-residents at 140 percent. She said the Higher Education Price Index increased only 60 percent in that time period while personal disposable income did not increase even 50 percent in the same time period. The differential between disposable income and tuition increases becomes more disparate. Since 1991 there has been an increase of nearly 30 percent in the total cost of college while personal disposable income in Iowa has increased by only 13% during the same time period.

Ms. Kasson stressed that it was critical that financial aid increase at a rate higher than educational costs. She said that not only has financial aid not remained even with educational costs but have increased at a much slower rate. She noted that incomes have not kept pace with the rising cost of higher education. Students have less resources to keep up with the costs. State work study and scholarship funds have decreased. Legislation now places a cap on the number of Pell grants awarded. Loans are the largest source of financial aid. The average salary for recent graduates is \$23,600, while the average for education and humanities graduates is \$19,100. The average student debt upon graduation in 1990 was \$7,283.

Ms. Kasson asked the Board to reduce the tuition recommendation to keep the dream within reach for those attending Iowa's Regent universities and their families.

John Lohman, President, University of Iowa Student Association, addressed undergraduate concerns. He said some students and families will not be able to afford the tuition increase. With the continued increase in tuition comes a division between privileged and average students. He stated that college is more than just academics. The student who has to work long hours to pay for tuition is missing out on some of the benefits of a college education. In comparing the tuition of the University of Iowa with those of the other Big Ten schools, although Iowa's tuition is the lowest, the buying power of Iowans is also the lowest. Students will experience increases in other expenses.

Mr. Lohman stated that college is more than academics. Out-of-state students provide diversity. He said he agreed that all out-of-state students should pay 100 percent of their costs; however, they currently are paying a larger share of the burden than they should. He asked that they all work together to make the institutions more affordable and of higher quality. He offered one recommendation regarding student involvement

-- students should have a vote in the general universities' budgeting process including helping determine where tuition increases should be allocated. He asked that when election day comes everyone vote for those individuals who will make higher education a priority issue. He said it is crucial to keep the financial burden from students.

Gretchen Lohman, Vice President, University of Iowa Student Association, addressed concerns of graduate and professional students. She stated that tuition keeps rising, the cost of books is skyrocketing, child care costs face many, as well as housing and health care. In addition to loans that accumulate during pursuit of an advanced degree, students likely have loans from their undergraduate education, as well. She questioned whether the moneys will be spent in the specified areas. Law and pharmacy students were being asked to pay a surcharge. What is the difference between a tuition increase and a surcharge? She said the total percentage increase for tuition and fees was quite substantial.

Ms. Lohman concluded by asking whether the continued increases in tuition will result in having to include wealth as a component for students' ability to attend a Regent university.

Todd Versteegh, University of Iowa campus director, United Students of Iowa, stated that students find themselves having to work more to finance their education. At the University of Iowa statistics show that students who hold jobs work an average of 15 hours per week. For many students this means they are working a total of 60 hours per week between school and work. Loans, grants and scholarships help to make up the difference in students' educational costs, which he said raises concerns about how accessible Iowa's Regent universities are.

Ms. Krueger said it has been said that the state of Iowa has the most comprehensive and advanced educational system in the country. As a result, many Iowa high school graduates are advancing to post-secondary education. The University of Northern Iowa has benefited from that trend. Over 95 percent of its student body is composed of Iowa students. She addressed the goal of keeping education affordable. She said the foundation of state-subsidized education is lain in providing quality education that is also affordable and consequently accessible to all. As tuition rises affordable education falls farther from reality.

Ms. Krueger stated that 80 percent of University of Northern Iowa students were employed during their college attendance. Of those, 72 percent worked more than 20 hours per week. This, she said, was the direct result of the cost of education rising faster than student wages. More time at work means less time in class and a decline in the number of students who are able to graduate in 4 years. The definition of

affordability has been compromised by an unavoidable lack of quality. She said proportional increases in financial aid fall far short of covering the additional cost of tuition increases. Although the Board Office proposed increases in financial aid, it is simply not enough. Federal grant money is becoming difficult to attain while the amount of students receiving loans has skyrocketed. Students are being driven deep into debt.

Ms. Krueger asked that the Board of Regents hold affordable education as a primary goal while recognizing that there is a desperate need for more financial aid. Students come to college to learn but for most students learning has become secondary to just remaining at college.

Todd Prins, University of Northern Iowa campus director, United Students of Iowa, stated that in the last four years the average class size has increased from 27 to 31 students. He said it was difficult to tell that tuition had increased 29 percent in that same time for the sake of quality of education. He questioned how the proposed increases would improve the quality of education at the University of Northern Iowa.

Mr. Prins addressed the proposed increase in graduate tuition at the University of Northern Iowa which was proposed for the purpose of equalization. He quoted the Board Office that this "will strengthen graduate programs at UNI and reduce any misconceptions of differences of quality among the Regent universities". He said the words "equal" and "differences" were used to describe tuition dollars, but no where did it say that the UNI graduate programs will be equal to the University of Iowa's and Iowa State University's programs. He stated that the University of Northern Iowa graduate programs are not equal to those of the other two universities. As a graduate student, he said that if the Board was going to commit itself to making appearances equal, it should make reality equal, as well.

Mr. Prins noted that the funds to be generated from the proposed tuition increases were to be used for technology improvements. The one technology improvement UNI students have asked for is computerized registration. The University of Iowa and Iowa State University have had computerized registration technology for years, and yet there still is no commitment to such a system at UNI. If students are to pay more tuition, they should have enough teachers, the graduate programs should be improved, and diversity should be addressed

Benn Kuecker, Iowa State University Government of the Student Body, asked to bring to the Board's attention a dilemma plaguing out-of-state students, particularly those at Iowa State University. As a 4th year student, he has heard many other out-of-state students tell him they cannot afford to go to Iowa State University. He said 111 percent

of their costs are paid by non-residents. Students don't have just the tuition expense to worry about. Costs of education have escalated 56.8% over the last ten years. He implored the Board to reconsider the recommendation to increase tuition for non-residents 6 percent rather than 4.2 percent. The burgeoning costs for out-of-state students is making the expense of attending a Regent university comparable to the expense of attending a private institution.

Mr. Kuecker stated that only 55 percent of out-of-state students graduate within 6 years. The proposed tuition increase will hinder Iowa State University's ability to retain minority students while they should be providing more incentives to attract and retain minority students. He concluded by thanking President Jischke for his recommendation to increase tuition for non-residents by the same percent as for residents.

Dave Cmelik, Iowa State University Government of the Student Body, stated that the student body was dedicated to improving quality and accessibility of higher education at the Regent institutions and cared about the direction Iowa State University takes into the 21st century. He said students look to the Regents' leadership to address dwindling accessibility to a college education. They were also concerned about the other side of the equation -- quality of products and services. Iowa State University's mission statement is clear in its dedication to instruction first. He said there has been a visible reduction in the percentage of university funds dedicated to instruction. The Board Office proposal was based on the Higher Education Price Index, known nationally for gauging the inflation of the costs of education for a "fixed market basket of goods". However, as the percentage of ISU funds dedicated to instruction decreased, there have also been other disturbing trends. There has been a reduction of faculty. The average section size has increased and it is difficult to get into classes. He said that over one-third of the student population was denied access to at least one class last fall. Students are being asked to contribute more and more to the support of the university while they are consistently getting less.

Mr. Cmelik challenged the Regents and institutional officials to work with the students to increase the percent of the university budget dedicated to educational services. He asked that the Regents impel President Jischke to direct funds to improve student services.

Jeff Rains, Iowa State University campus director, United Students of Iowa, stated that the issue of low enrollments was receiving attention lately. He is hearing from students who can no longer finance their education. Students are being required to pay more yet are receiving less. A large portion of the money, he said, was being used in areas that do not directly benefit undergraduate education. He said university officials should not automatically target student services during times of budget shortfalls. General

expenses being met directly through tuition dollars is at an all-time high and is rising. The State legislature needs to demonstrate a commitment to education at Iowa State University before students should be asked to pick up more of the burden.

Mr. Rains discussed the computer fee increases for engineering, computer science, and management information systems students and the mandatory health fee. He asked the Board to waive the health fee increase at Iowa State University because students are already paying \$16 per year to fund a new health facility and thus have no need for a \$4 per year increase to the health service fee to renovate the old building.

Regent Collins stated that all of the financial concerns were extremely important but when they attack just the tuition facet of the cost of higher education, they were attacking only one part of the whole. He said it was not too many years ago that the majority of students did attain their undergraduate degree in 4 years compared to now when it takes some 6 to 7 years. For every year after the 4th year it costs a student another approximate \$9,000 per year to attain their education; it is not just the tuition cost. He questioned whether it was feasible for the student body, faculty, staff, administration and Board of Regents to seriously undertake a study of how to achieve an undergraduate degree in 4 years. They price themselves out of the market if students are not able to get courses when they need the courses. He asked whether others felt it would be worthwhile for all of them to seriously address a study to reduce the amount of time it takes to achieve an undergraduate degree.

Regent Furgerson stated that it would be interesting to include in that study the average number of hours a student carries. The Federal guidelines for student loans describe a full-time student as one who takes 12 credit hours per semester; however, doing so does not allow a students to graduate in 4 years. She would like to know if the average number of credit hours are reduced by students by choice or because they have to work.

Ms. Kasson said she believed the study would indicate that the majority of students would be glad to graduate in 4 years. It is more difficult to do so if they have to hold down jobs to finance their education. She said students would definitely be interested in participating in the proposed study.

Regent Furgerson noted that the terms of some of the loans do not require that students start paying them back until they graduate and are employed. Other forms of student financial aid include work study. She said she went to college with students who worked full time and graduated in 4 years. At the time the GI bill was initiated society began to look at its role in helping students who could not afford it to attend

college. She wanted to know in terms of the options which ones were forced on students and which they accepted voluntarily.

Regent Pellett asked if students were concerned with where the tuition increases go as well as the rate of increase. Ms. Kasson responded that they were. She suggested that if students were included more in the decision-making process they might understand the rationale behind the proposed increases.

President Berenstein said he liked the idea of studying why people are not graduating within 4 years. He noted that at the time Peat Marwick Main studied that issue there were some concerns that the results were inconclusive. It may be time that they reconsider the matter. With regard to Jeff Rains' concerns about the student health fee, he said Mr. Rains should discuss the matter with the university administration. It was President Berenstein's recollection that the health fee was agreed to by the student body at the time it was proposed to the Regents as a condition of going forward with construction of a new facility.

President Berenstein pointed out that the Federal student loan program defines a full-time student as one who takes 12 credit hours; however, doing so does not allow a student to graduate in 4 years. Regent Collins' point was very well taken concerning the \$9,000 cost of each year of college attendance versus the additional cost of tuition increases. He was concerned that if students are working 20 hours a week and going to classes it does not allow much time for the other components of a college education.

President Berenstein thanked the student presenters for their tones of voice in delivering their messages, and that the students talked to the Regents, not at them.

Regent Dorr expressed concern about embarking on a major study. He referred to the Regents' 13 strategic goals raised earlier by Regent Newlin, and said they included strengthening research and other creative work, as well as strong and aggressive undergraduate programs. The Board has already sent signals and indicated priorities. There needs to be an evaluation of the new strategic plans and how to direct the universities' emphases. He concluded by stating that he would be reluctant to embark on an extensive study.

Regent Furgerson suggested they did not need to do an extensive study but could accomplish the same outcome by soliciting from students responses to questionnaires.

Regent Collins reiterated that he wanted everyone involved in the study.

President Berenstein stated that he was more in favor of a study versus questionnaires. He asked that they think about this suggestion and would talk about the study when they take final action on tuition at next month's meeting.

ACTION: President Berenstein stated the Board, by general consent, gave preliminary consideration to:

- (1) approving academic year tuition rates and mandatory fees, effective with the summer session 1995, as presented;
- (2) approving the special reduced rates for third-year undergraduate Pharmacy students which are in effect for 1994-95 be ended;
- (3) approving general institutional financial aid for students be increased at the same rate as the proposed increase in tuition and mandatory fees to offset the impact on students now receiving institutional financial aid;
- (4) approving the additional tuition revenues be used for implementation of the Doctor of Pharmacy program, for professional skills training in the College of Law, and to develop the instructional resources and technology needed to bring student instruction at the Regent universities to the level of quality envisioned in the Regents' strategic plan; and
- (5) scheduled final action on the proposed tuition and mandatory fee rates at the October Board meeting.

REPORT ON CHILD CARE. The Board Office recommended that the Board receive the report of the Child Care Priority Issue Study Group.

The Board established a priority issue study group at the July meeting. Regent members on the study group were Tom Dorr, Betty Jean Furgerson, Elizabeth Hendricks, and John Tyrrell. Institutional representatives were Mary Jo Small SUI; Warren Madden, ISU; Mary Franken, UNI; John Balk, ISD; and Diana Stock, IBSSS.

The study group has had two meetings -- on August 17 and September 7. Discussions at the first meeting centered around areas needing additional clarification and directing the institutions to provide information to address these areas. At the September 7 meeting the group will review the following areas:

- o Expenditures from State appropriations for child care since fiscal year 1992 and the budget for fiscal year 1995.
- o Budget requests relating to child care for fiscal years 1996 and 1997. Each university has requested additional appropriations to be used for child care in the upcoming biennium along with modest increases in their budgets.
- o Details concerning space utilized by the child care centers at the universities.
- o A summary of the major employer-supported child care centers in the state.

Regent Hendricks stated that the child care committee reviewed expenditures from prior years and projected expenditures for 1996 and 1997. Committee members agreed there are some philosophical considerations to discuss in terms of the universities' responsibility to provide child care for staff members. The committee members will be provided with further information on the breakdown of expenditures in the form of bar graphs as requested by Regent Dorr. The committee recommended to the Board that the universities' requests for funding to provide child care for students in FY 1996 be added to the budget requests as approved earlier in the meeting.

MOTION: Regent Hendricks moved to add \$185,000 to the previously-approved FY 1996 Board of Regents budget request. Regent Furgerson seconded the motion.*

* The motion approving the FY 1996 Board of Regents budget request can be found on page 224 of these Minutes.

Regent Dorr pointed out that the scope and size of the child care review was much larger than he had originally realized. He said he had personal philosophical concerns about how expansive the Board policy should become relative to child care particularly child care for children of faculty and staff. He was not opposed to making available subsidized and/or gratis child care for students. He was opposed to adding the \$185,000 to the FY 1996 budget request because he felt the committee members were not given all the information they had requested although the committee as a whole was in favor of it.

Regent Furgerson stated that it would be helpful if those who had questions put their requests in writing because the request eventually has to go to the directors of the child care centers.

Regent Pellett asked if the Regents have a legislative mandate to spend a certain amount of money for child care or has the Board instructed the institutions to spend a certain amount on child care?

Mr. Richey responded that the Regents have received legislative appropriations for child care but not a mandate. There has been strong legislative support for the Regents' request for child care funds directed toward children of students. He noted that there was an incidental outflow because of the economies of scale to the children of employees. The committee is to develop a policy to bring to the Board of Regents later this fall.

Regent Tyrrell stated that the child care providers needed to provide the institutions with intelligent accounting information so that everyone understands who is doing what and why. He said it was no one's fault that the committee members had not been provided with the requested information because the time frame had been short. Regent Tyrrell had yet to be provided with the information he wanted. Over a period of time the committee members will have the information with which they will be able to judge the child care programs on their importance to the institutions and to the students.

President Berenstein stated that the subsidization of child care on a sliding fee scale was a factor to be taken into consideration. He said the Regents have an obligation to provide child care as do all businesses in the modern world.

Regent Hendricks noted that the basic guideline for the sliding fee scales used at each of the universities was the Department of Agriculture's free and reduced price lunch guidelines. She said that until the committee members are provided with a complete accounting of the expenses, they will not know what exactly is being subsidized. They do know that the tuitions are on a sliding scale; therefore, they were recommending funding the child care requests for fiscal year 1996 and deferring a recommendation for fiscal year 1997.

Regent Dorr said he did not believe it was mandated that everyone has an obligation to provide child care services. He said that as long as people are given choices to abdicate the care of children to others, they may create as many problems as they solve. With regard to what he said was President Berenstein's suggestion that the Regents have an obligation to provide child care services, he said that most businesses are not involved in this sort of extensive program.

President Berenstein clarified that he did not say the Regents have a mandate to provide child care services. He said that the world we live in requires that they

consider doing so. The Regent universities are part of the modern western world where child care services are being provided. He personally feels they have an obligation to do so.

VOTE ON THE MOTION: The motion carried with Regent Dorr voting "no".

REPORT ON MILEAGE REIMBURSEMENT STUDY. The Board Office recommended the Board authorize transportation reimbursement for official travel by private automobile when use of a personal car is authorized

- (a) at a rate of \$.24 per mile, retroactive to July 1, 1994, when a motor pool vehicle is not available and the employee must use his/her personal vehicle.
- (b) at a rate of \$.21 per mile if a motor pool vehicle is available, but the employee chooses to use his/her own vehicle.
- (c) at a rate to be determined by the institution's chief business officer on a case-by-case basis when an individual must use a substantially modified or specially equipped privately-owned vehicle.

Section 7.35A of the Regent Procedural Guide provides that transportation reimbursement for official travel by private automobile shall be paid at the State rate when use of a personal car is authorized.

In 1991, Chapter 18.117 Code of Iowa was amended deleting a set reimbursement rate of \$.21/mile (in effect since 1982) and permitting the State to reimburse individuals for use of their private vehicles at a rate to be determined by the State. This rate could not exceed the maximum allowable under the Federal Internal Revenue Service rules.

While the statute no longer sets a State rate of \$.21/mile, this rate has continued to be used.

A review of the Code of Iowa and pertinent administrative rules by the Department of Management indicated no statutory restrictions preventing the Regents from paying employees at a higher rate up to the maximum allowable rate under the Internal Revenue Service rules. For 1994 the maximum allowable rate under the rules is \$.29/mile.

Employees who receive reimbursement at a rate less than this amount may claim the difference as an itemized deduction (Schedule A) on their tax returns. Deductions are subject to the 2 percent of adjusted gross income limit.

The Code of Iowa now permits counties and local governmental agencies to set their own mileage reimbursement rates.

Use of Private Vehicles in Locations not Served by Campus Motor Pools

The rate of reimbursement has been of particular concern to Iowa State University extension staff who are required to operate their own vehicles while traveling extensively.

Some extension staff members are reimbursed from county funds where higher mileage reimbursement rates are being paid.

The Regents were provided with the county reimbursement rates for the state's 100 extension districts. Sixty-seven (67) counties reimburse at the rate of \$.21/mile. The remaining counties reimburse at a rate between \$.25/mile and \$.28/mile.

As a result of the discussion at the July 1994 Board meeting, a survey of Regent institutions was conducted to determine the number of individuals who use their private vehicles in locations not served by campus motor pools.

More than half of the individuals (156 out of 284) affected are Cooperative Extension personnel.

These individuals drive an estimated 2.1 million miles annually.

The proposed \$.03/mile increase would cost approximately \$63,000 annually for these individuals.

While the primary beneficiary of the proposed change would be individuals based in a location not served by a motor pool, in certain instances campus motor pool vehicles may not be available.

Further study of the rates will take place over the next year; additional reports will be provided on needed adjustments.

Use of Substantially-Modified or Specially-Equipped Privately-Owned Vehicles Required by Persons with Disabilities

The 1994 legislative session amended Chapter 18.117 Code of Iowa to permit authorization of a rate in excess of the Federal Internal Revenue Services rules for

State business use of substantially-modified or specially-equipped privately-owned vehicles required by persons with disabilities. The intent of the amendment was to establish higher mileage reimbursement rates in order to offset the additional expenses incurred by disabled employees in equipping their vehicles.

A survey of the institutions indicated there are presently few, if any, individuals who would be covered by this section of the statute.

It was recommended that each business officer be permitted to set an appropriate rate on a case-by-case basis after reviewing all information, including a description and cost of the modifications.

President Jischke:

Regent Pellett stated that the recommendation was a good compromise. She said she found it interesting that 67 of the 100 counties are paying their employees only 21 cents/mile. She was pleased that the Regents will revisit this issue in a year.

MOTION: Regent Furgerson moved to authorize transportation reimbursement for official travel by private automobile, as presented. Regent Pellett seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

ANNUAL REPORT ON ENERGY CONSERVATION. The Board Office recommended the Board receive the report.

Energy Conservation Measures

In 1989 engineering analyses identified \$44.7 million (1994 dollars) in energy conservation measures at the institutions; it was estimated that these projects would save \$10.0 million (1994 dollars) annually for a simple payback period of 4.0 years.

To date approximately \$11 million (1994 dollars) have been expended for projects identified in the engineering reports; approximately \$2.1 million (1994 dollars) have been saved annually, for a simple pay back period of approximately 4.1 years.

Energy Usage

Energy consumption on a BTU per gross square foot basis has declined significantly since FY 1979, the peak consumption year.

Energy Consumption (BTUs/GSF)

	<u>FY 1979</u>	<u>FY 1990</u>	<u>FY 1991</u>	<u>FY 1992</u>	<u>FY 1993</u>	<u>FY 1994</u>	<u>% Change FY 79 to FY 94</u>	<u>% Change FY 93 to FY 94</u>
SUI	523,030	445,003	444,272	441,777	425,970	436,799	(16.5)	2.5
ISU	635,606	481,656	475,770	474,617	404,732	380,160	(40.2)	(6.1)
UNI	409,364	347,751	362,777	352,712	356,607	356,460	(12.9)	---
ISD	N/A	118,512	127,608	125,583	129,754	119,380	----	(8.0)
IBSSS	N/A	151,914	155,424	139,463	140,241	148,657	----	6.0

Energy Costs

Energy costs per gross square foot are a function of usage (BTUs/GSF) and the cost of energy (\$/MMBTUs).

The following table shows the cost of energy per MMBTUs by institution.

Energy Costs (\$/ MMBTU's)

	<u>FY 1993</u>	<u>FY 1994</u>	<u>% Change</u>
SUI	\$2.26	\$2.42	7.1
ISU	1.81	1.85	2.2
UNI	1.96	1.91	(2.6)
ISD	3.69	3.58	(3.0)
IBSSS	4.45	4.47	.4

The following table shows changes in energy costs (\$/GSF) between the last two fiscal years.

Energy Costs (\$/GSF)

	<u>FY 1993</u>	<u>FY 1994</u>	<u>% Change</u>
SUI	\$.96	\$1.06	10.4
ISU	.73	.70	(4.1)
UNI	.70	.68	(2.9)
ISD	.48	.43	(10.4)
IBSSS	.62	.66	6.5

The complete report on energy conservation is on file in the Board Office.

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

AMERICANS WITH DISABILITIES PROGRAM, PROGRESS REPORTS ON UNIVERSITY OF IOWA, IOWA SCHOOL FOR THE DEAF, AND IOWA BRAILLE AND SIGHT SAVING SCHOOL. The Board Office recommended the Board receive the reports.

At its April and May 1994 meetings the Board received reports on implementation of the Americans with Disabilities Act by the University of Iowa, Iowa School for the Deaf, and Iowa Braille and Sight Saving School. At that time the Board adopted recommendations; institutional reports addressing the recommendations were to be submitted in 6 months.

This report provided an update on implementation of the recommendations.

University of Iowa

The Board requested the university to 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.

University officials reported:

- o Colleges were requested to identify the location of the facilities where academic programs are conducted and essential program components.
- o The university will prepare a chart identifying which facilities are inaccessible and indicating the university's plan for either modifying the facility or relocating the academic component consistent with ADA provisions.
- o A brochure on services available for persons with disabilities is being developed.
- o Hancher Auditorium is embarking on a new program to provide audio description narration of events for individuals with sight impairments; performers will be required to provide scripts in advance to facilitate requests for large print or sign language interpreters.

- o As part of the university's on-going self-evaluation in the area of employment, a subcommittee will review personnel procedures and compliance with the ADA.
- o Residence Halls is preparing an analysis of each residence hall, indicating the number of accessible rooms per building and identifying those which can be easily adapted to accommodate students with disabilities, thereby increasing housing options.
- o The university has continued its efforts to increase facility access on campus.
- o Recent projects include: replacement of obsolete wheelchair lifts at Schaeffer Hall, the President's residence, the Women's Resource and Action Center, the Music Building and Gilmore Hall; curb cuts and additional parking spaces at the Memorial Union; and modified rest rooms in English-Philosophy and Westlawn.
- o Future facility projects include improvement of accessibility to the parking entrance on the west side of the Iowa Memorial Union parking ramp, and replacement of wheelchair lifts at the Fieldhouse and the Latino-Native American Cultural Center.

Iowa School for the Deaf

The Board requested the school to complete and submit to the Board Office a formal self-evaluation and transition plan.

The School has:

- o Formed seven subcommittees to review systematically all components of academic and student affairs programming in preparation for completion of the self-evaluation.
- o The findings and recommendations of the subcommittees will be integrated with the Facility Transition Plan.

Iowa Braille and Sight Saving School

The Board requested the school to complete and submit to the Board Office a formal self-evaluation and transition plan.

The School has:

- o Formed an ADA committee to complete the formal self-evaluation and transition plan.
- o The targeted areas include personnel, academic programs and facilities.

Complete institutional reports responding to the recommendations will be presented to the Board later this fall.

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

RENEWAL OF FINANCIAL ADVISOR CONTRACTS. The Board Office recommended the Board approve annual renewal of the contract with Springsted, Inc., as financial advisor to the Board of Regents.

The current contract with Springsted, Inc., commenced on September 1, 1991, for a two-year initial period, with provision for annual renewal thereafter through August 31, 1996, subject to mutual consent of the financial advisor and the Board.

The existing contract with Springsted, Inc., as financial advisor to the Board of Regents provides that Springsted will:

- o assist the Board in assessing the merits of various financing alternatives
- o advise the Board on structure, timing and size of possible financings
- o take a long-range view and place any currently proposed financing into historical perspective so that any offering does not jeopardize the Board's overall debt financing program
- o advise the Board in a manner which will provide continuity in the Board's financings but also shall suggest improvements where necessary or desirable

It was recommended that all terms of the original contract be extended through the annual renewal period ending August 31, 1995.

ACTION: Action on this matter can be found under the Report of the Banking Committee, page 164 of these Minutes.

RENEWAL OF CONTRACT FOR BOND COUNSEL. The Board Office recommended the Board approve annual renewal of the contract with Ahlers Law Firm as bond counsel to the Board of Regents.

The current contract with the Ahlers Law Firm commenced on September 2, 1991, for a three-year initial period, with provision for annual renewal thereafter through August 31, 1996, subject to mutual consent of bond counsel and the Board.

The existing contract with the Ahlers Law Firm as bond counsel to the Board of Regents provides that Ahlers will:

- o assist the Board in authoritatively evaluating legal aspects of proposed financing
- o advise the Board on the impact of pending state and federal legislation and draft related legislation as requested
- o place any currently-proposed financing into historical perspective so that an offering does not jeopardize the Board's overall debt financing program
- o ensure continuity in the Board's financings, including suggesting improvements where necessary or desirable

It was recommended that all terms of the original contract be extended through the annual renewal period ending August 31, 1995.

ACTION: Action on this matter can be found under the Report of the Banking Committee, page 164 of these Minutes.

RENEWAL OF CONTRACT FOR COLLECTIVE BARGAINING COUNSEL. The Board Office recommended the Board approve (1) the agreement between the Iowa State Board of Regents and Joseph E. Flynn, as presented, and (2) the appointment of the management bargaining team for negotiations with the United Faculty of the University of Northern Iowa.

The contract with Mr. Flynn provides both for his services as chief negotiator for the Board in bargaining with University of Northern Iowa faculty and for such other labor relations services as may be required by the Board.

The two-year contract provides for a fee for Mr. Flynn for his services at the rate of \$103.00 per hour for all time expended in reference to his duties for the Board of Regents during the first year and \$105.00 during the second year of the contract. The amount per hour under the contract expiring at the end of this month is \$100.00.

The proposed contract runs from October 1, 1994, through September 30, 1996 (or until obligations are fulfilled).

The University of Northern Iowa and the Board Office recommended the appointment of the following Management Bargaining Team for negotiation with the faculty union at the University of Northern Iowa:

- | | |
|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| - Joseph Flynn
- Chief Negotiator | - Director of Human Resources, Board Office
to be appointed
- Co-Chair |
| - Robert Barak
Deputy Executive Director and
Director of Academic Affairs & Research | - Aaron Podolefsky
Dean, College of Social
and Behavioral Sciences |
| - Charles Means
Associate Vice President for
Academic Affairs | - Dr. Mary Rohrberger, Head
Department of English Language and
Literature |

MOTION:

Regent Furgerson moved to approve (1) the agreement between the Iowa State Board of Regents and Joseph E. Flynn, as presented, and (2) the appointment of the management bargaining team for negotiations with the United Faculty of the University of Northern Iowa. Regent Johnson-Matthews seconded the motion. MOTION CARRIED UNANIMOUSLY.

ANNUAL REPORT ON PHASED AND EARLY RETIREMENT. The Board Office recommended the Board (1) receive reports from the institutions on the operation of the PHASED RETIREMENT program in 1993-94; (2) receive reports from the institutions on the operation of the EARLY RETIREMENT program in 1993-94; and (3) establish a present value rate of 4.81 percent for lump sum payout under the EARLY RETIREMENT program for fiscal year 1995.

Two programs relating to retirement earlier than the normal retirement age are in place for employees of the Board of Regents. The PHASED RETIREMENT program, in place since 1982, allows employees to reduce the percentage of their appointments during a specified period. The EARLY RETIREMENT program, in place since 1986, allows employees to retire as early as age 57.

Both programs as originally structured expired on June 30, 1992. The use and effectiveness of the programs were evaluated. Modified programs were put into place July 1, 1993, for a five-year period.

The PHASED RETIREMENT program was first approved for university faculty and professional and scientific employees in 1982. The program was later extended to merit system employees.

Faculty and professional and scientific employees may enter the PHASED RETIREMENT program at age 57 with 15 years of service. Merit employees may enter at age 60 with 20 years of service.

During a five-year phasing period, the percentage of appointment is reduced to a maximum of 65 percent. Proportionate salary is paid with an incentive award of an additional ten percent in the first four years. Only proportionate salary is paid in the fifth and final year.

Employer and employee contributions to insurance and retirement programs continue as if the employee was full time.

During fiscal year 1994, there were 18 new entrants into the PHASED RETIREMENT program. Total cost of incentives for PHASED RETIREMENT program participants was \$371,566.

The difference between the total compensation received by the participants and the total compensation that would have been received if they had remained full time was \$1,013,734.

Since its inception in 1982, 228 employees have participated in PHASED RETIREMENT with 42 still active.

Effective July 1, 1986, the Board approved an EARLY RETIREMENT program for faculty and professional and scientific staff at Regent institutions. Beginning July 1, 1990, employees in the Regents Merit System became eligible.

In fiscal year 1994, 75 faculty and staff members at the five institutions participated in the EARLY RETIREMENT program. Significant reductions were made in the benefits received in the program at the beginning of fiscal year 1993. Participation decreased significantly in fiscal years 1993 and 1994.

Since the inception of the program in 1986, 1,001 employees have chosen this retirement option.

Savings result when employees who elect EARLY RETIREMENT are either not replaced or replaced at lower salaries.

Seventy-five (75) employees chose EARLY RETIREMENT in fiscal year 1994. Forty-three (43) were replaced at lower salaries. Twenty-three (23) were not replaced. Five (5) were replaced at a higher salary; 4 at the same salary.

An estimated savings of \$6.0 million was realized from future salary obligations over the period of time these 75 individuals will be in the program.

Participants in the EARLY RETIREMENT program may elect to have the value of all or part of their future benefits paid in a lump sum. These payments are discounted. For fiscal year 1994, the Board approved a present value discount rate of 3.33 percent which is the average of current rates earned on 90-day and one-year Treasury Bills. The rate of 4.81 percent was recommended for fiscal year 1995.

President Berenstein stated that this was Director Volm's final report to the Board of Regents. He said he spoke for all the Regents in expressing appreciation for everything Mr. Volm has done on behalf of the Board of Regents.

Director Volm thanked President Berenstein and stated that his experiences with the institutions had been very rewarding.

MOTION:

Regent Newlin moved to (1) receive reports from the institutions on the operation of the PHASED RETIREMENT program in 1993-94; (2) receive reports from the institutions on the operation of the EARLY RETIREMENT program in 1993-94; and (3) establish a present value rate of 4.81 percent for lump sum payout under the EARLY RETIREMENT program for fiscal year 1995. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Berenstein wished good luck to Director Volm and to his wife Betty, who was also retiring.

BOARD OFFICE PERSONNEL TRANSACTIONS. The Board Office recommended the Board ratify the Register of Personnel Transactions, which included:

Promotion: LOUISE HOUSEWORTH from Associate Director, Business and Finance, to Director, Business and Finance, at an annual salary of \$76,000 plus fringe benefits effective September 7, 1994.

Promotion: DAN VIA from Research Analyst to Research Associate at an annual salary of \$44,825 plus fringe benefits effective October 1, 1994.

Appointment: RICHARD TIEGS, Research Analyst, temporary appointment effective September 12, 1994, at an hourly salary of \$15.

Reclassification: CAROL KOMINSKI from Associate Director, Academic Affairs, to Research Associate effective September 2.

Early Retirement: DONALD VOLM, Director, Regents Merit System, effective October 1, 1994.

Retirement: BETTY VOLM, Research Associate, effective October 1, 1994.

Mr. Richey called the Board's attention to the appointment of Louise Houseworth as Director of Business and Finance.

President Berenstein congratulated Ms. Houseworth.

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

AFFILIATED ORGANIZATIONS REPORT. The Board Office recommended the Board receive the report on the Iowa State University Stanton Memorial Carillon Foundation.

The Stanton Memorial Carillon Foundation was incorporated on December 31, 1954, to preserve, improve and further the advancement of the carillon at Iowa State University.

GENERAL
September 7-8, 1994

The campanile was built in 1899 to house a chime of 10 bells given to the school by Professor Edgar W. Stanton in memory of his wife, Margaret, ISU's first dean of women.

The State legislature appropriated funds for the construction of the tower and its clock.

In 1929, seven years after Professor Stanton's death, his bequest was used to finance the installation of 26 additional bells, forming the Edgar W. and Margaret MacDonald Stanton Memorial Carillon. Two years before the incorporation of the Stanton Memorial Carillon Foundation, 13 more bells were installed, along with a 53-bell carillon keyboard; the 50th bell was installed in 1967.

Structural renovation of the campanile completed in early-1994 included an extensive surface renovation, replacement of the entire roof and its copper shingles, and repair and/or replacement of the four terra cotta pinnacles and terra cotta trim.

Alumni and friends contributed more than \$350,000 for the campanile renovation and an anonymous donor provided a \$1 million endowment to support future campanile repairs and maintenance. In addition, the clockworks and bells have been completely restored.

A Des Moines couple created an endowment with their gift of \$250,000. The Charles and Ivadelle Cownie Endowment provides a lasting source of funding to support a carillonneur to play the carillon and to teach students to play the carillon.

The Iowa State University campanile and its Stanton Memorial Carillon will be re-dedicated on Sunday, September 25, 1994.

Membership in the Carillon Foundation consists of eight alumni who currently are not university employees, the ISU Vice President for Business and Finance, the Director of the Alumni Association and two trustees of the ISU Achievement Foundation.

The treasurer's report for the year ended March 31, 1994, for the Stanton Memorial Carillon listed disbursements of \$730, revenues of \$14,418 from gifts and earnings; and a balance in the treasury at the end of the period of \$112,885. Funds of the Stanton Memorial Carillon Foundation are managed by the ISU Foundation and incorporated within its audits.

The annual report and financial information of the ISU Stanton Memorial Carillon Foundation are on file at the Board Office.

ACTION: This report was received by consent.

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

The commission met on July 12 to hear a presentation from Deloitte and Touche concerning the impact of the Federal Direct Student Loan Program (FDSLPL) on the Iowa College Student Aid Commission, a guarantee agency for Stafford Student Loans.

Deloitte and Touche expects the number of guarantee agencies in the United States to drop from 45 in 1992 to an estimated five to fifteen such agencies in 1998. Estimated number of lenders of guaranteed student loans would drop from about 7,800 in 1992 to about 2,000 or less in 1998.

A significant shake-out is expected in the secondary markets with a number of agencies purchasing such loans dropping from a 45 in 1992 to perhaps 10 to 15 in 1998.

Commission members asked Deloitte and Touche to continue its work and develop additional reports for their consideration.

The commission met on August 16 with the major item on the agenda being the appropriation request for fiscal year 1996. A report on that request will be sent to members of the Board when the staff of the commission has furnished the approved request.

ACTION: This report was received by consent.

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

October 19-20, 1994	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
July 19-20	Iowa State University	Ames

**GENERAL
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September 20-21, 1995	University of Iowa	Iowa City
October 18-19	University of Northern Iowa	Cedar Falls
November 15-16	Iowa State University	Ames
December 13-14	To be determined	Des Moines

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

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

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday and Thursday, September 7 and 8, 1994.

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

Register of Personnel Changes for June and July 1994.

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

PROFESSIONAL AND SCIENTIFIC CLASSIFICATION SYSTEM. The Board Office recommended that the Board approve the proposed new classification, Assistant Provost and Director of Administration and Planning in grade 15 (\$48,560 - \$84,925).

This position is currently titled Assistant Vice President in pay grade 15. It is in a general classification that is also used in other offices.

The title of Vice President for Academic Affairs was changed to Provost last year. The change from Assistant Vice President to Assistant Provost and Director of Administration and Planning was proposed to give consistent and appropriate recognition to the position.

No change in duties, pay or pay grade assignment was involved in this request.

ACTION: This matter was approved by consent.

FACULTY PRACTICE PLAN. The Board Office recommended the Board approve the proposed revisions to the University of Iowa Faculty Practice Plan.

University of Iowa officials presented revisions to the bylaws of the university's Medical Service Plan at the July Board meeting. The Board asked that it be held over to the next Board meeting.

The Medical Service Plan was established in 1946. It has been altered on few occasions since. The Medical Service Plan serves as the vehicle for the College of Medicine to engage in the delivery of physician care to private paying patients and to be reimbursed for doing so. Modifications were proposed to ensure continued fiscal integrity of the College of Medicine as well as available resources to meet its academic missions.

The plan has consistently produced approximately 35 percent of the funding for the College of Medicine. The State appropriations share of the College of Medicine funding has declined from 14.8 percent to 7.2 percent over the past 10 years.

The proposed modifications broaden participation in the governance of the plan, revise the performance considerations for establishing faculty compensation, and give the Dean of Medicine a more significant role in allocation of the Medical Service Plan funds.

Name

It was proposed that "Medical Service Plan" be changed to "Faculty Practice Plan." The name is more consistent with nomenclature used throughout the country at other academic health science centers and would also indicate that some participants in the plan are not physicians.

Governance Structure

Under the old Medical Service Plan, the organization was managed by the Compensation Committee, which consisted of five elected members, three of whom were department heads and two of whom were at large faculty members. The new organization will be managed by a board which includes all 15 clinical department heads, 1 basic science department head and 6 elected at-large members. The board will be chaired by the Dean of the College of Medicine. The Vice President for Health Sciences and Director of the University of Iowa Hospitals and Clinics will serve as ex-officio members. The board will focus primarily on policy issues involving the Plan.

Day-to-day management will reside with the Management Committee, which is elected by and from the Faculty Practice Plan Board. This committee will be chaired by the dean and will consist of six additional members--three must be department heads and three others will be clinical faculty members, of whom at least one must be an elected member of the Faculty Practice Plan Board.

The governance structure change will incorporate a broader range of representation among all of the clinical departments and establish a central authority to permit the Practice Plan to respond rapidly to demands from managed care organizations and health care reform. It will also serve to demonstrate the integration of its efforts with the mission of the University of Iowa Hospitals and Clinics and the Health Sciences Center.

Faculty Compensation

The revisions call for a clinical faculty member's salary to consist of two components:

- o An academic service component, which is compensation for teaching, research, and College of Medicine administration responsibilities. The academic service component will be funded by university general funds, the College of Medicine academic enrichment fund, and extramural grants and contracts.
- o Compensation for patient care services and clinical administrative responsibilities.

The new provisions call for this compensation to be performance based and therefore variable. Base compensation would be established that would represent a floor. The practice component could vary up to an established ceiling annually.

The implementation of the program would begin in fiscal year 1996, effective July 1, 1995, in order to allow for an orderly transition.

The clinical services component will be funded by departmental clinical income generated from service to patients.

This salary component can either increase or decrease on a year-to-year basis depending upon clinical productivity.

Academic Enrichment Fund

The revision allocates 10 percent of the clinical earnings of the departments to the Dean of the College of Medicine for academic enrichment. This represents a significant increase over previous Medical Service Plan financial transfers to the College of Medicine.

These funds will be available to enhance the academic, clinical and functional environment of the College of Medicine and its constituent departments and programs at the discretion of the dean. This places the Dean of the College of Medicine in a more appropriate position relative to the funding of overall needs of the college.

The Interim Dean of the College of Medicine in 1992 failed to seek Board approval of changes to this medical plan when revisions were made. Such approval is required by virtue of the Board's procedures and authority.

The Faculty Practice Plan document is on file in the Board Office with the official Minutes.

Vice President Manasse reviewed the proposed revisions with the Board members.

Dean Kelch stated that he was very supportive of the proposed plan. He learned of the plan during the recruitment process and believes it is a step forward.

MOTION: Regent Collins moved to approve the proposed revisions to the University of Iowa Faculty Practice Plan. Regent Furgerson seconded the motion.

Regent Collins said that university officials had answered everything for which the Regents expressed concern in July. The material was presented in an excellent fashion.

President Berenstein stated that he was comfortable with the responses to his questions.

Regent Dorr questioned how salient the statement was that the State appropriations share of the College of Medicine funding had declined from 14.8 percent to 7.2 percent over the past 10 years. He did not think the State funding had degenerated as a percent of gross domestic product. With respect to the entire budget it has approximately the same level. There has been a strong growth in the share of the appropriations from state tax payers. The revenue streams in medicine have been quite aggressive over the last 10 to 12 years. He was not sure of the point of that statement.

Mr. Richey responded that the point was to show what a bargain the College of Medicine is to the tax payers of Iowa. Another point was that the growth has taken place with outside funds.

MEDICAL SERVICE PLAN
(a.k.a. FACULTY PRACTICE PLAN)

Proposed Plan Modification

The University of Iowa Medical Service Plan was established in 1946 under the continuing authority of the President as granted by the Board of Regents. It is among the oldest, continuously operating plans in the country. Its bylaws have undergone only a few minor changes over the years.

The principal objective of the Medical Service Plan has been to improve the University of Iowa College of Medicine -- its teaching resources, its research facilities, and its service opportunities placing primary emphasis on the overall welfare of the health sciences center. The proposed modification of the Medical Service Plan is intended to continue to strive towards this objective while positioning the organization to respond to contractual arrangements with managed health care plans, third party payors, governmental regulations, and other issues. There is no change in the Plan's dedication of the faculty to teaching, the care of indigent patients, and the overall commitment to patient care. Four primary changes in the Plan are proposed:

(1) Name. It is proposed that the name "Medical Service Plan" be changed to "Faculty Practice Plan" which is a title more consistent with nomenclature used throughout the country at other academic health sciences centers. It is also an indication that some participants in the Plan are not physicians.

(2) Governance Structure. Under the Medical Service Plan the organization was managed by the Compensation Committee which consisted of five elected members, three of whom were department heads and two of whom were at large faculty members.

The new management structure consists of a Board which includes all fifteen clinical department heads, one basic science department head and six elected at large members. The Board is Chaired by the Dean of the College of Medicine. The Vice President for Health Sciences and Director of the University of Iowa Hospitals and Clinics serve as ex-officio members. The Board focuses primarily on policy issues involving the Plan.

The day-to-day management of the Faculty Practice Plan resides with the Management Committee which is elected by and from the Faculty Practice Plan Board. The Management Committee is Chaired by the Dean and consists of six additional members. Three of these members must be department heads and three others will be clinical faculty members, of whom at least one must be an elected member of the Faculty Practice Plan Board.

The purpose of the governance structure change is to incorporate a broader range of representation among all of the clinical departments and to establish a central authority to permit the Practice Plan to respond rapidly to demands emanating from managed care organizations and health care reform. It also serves to demonstrate the integration of its efforts with the mission of the University of Iowa Hospitals and Clinics and the Health Sciences Center.

(3) Faculty Compensation. The third significant change deals with faculty compensation. These proposed changes call for a faculty member's salary to consist of two components. The first is an academic service component which is compensation for teaching, research, and College of Medicine administration responsibilities. The funding sources for the academic service component are University general funds, the College of Medicine Academic Enrichment Fund and extramural grants and contracts. The second component is compensation of a clinical faculty member for patient care services and clinical administrative responsibilities. The new provisions call for this compensation to be performance based and therefore variable. The funding source for the payment of the clinical services component is departmental clinic income generated from service to patients. The implementation of a clinical service component will permit the College of Medicine to adjust salaries of clinical faculty members based upon performance, market and reimbursement environment factors. This salary component can therefore go up or down depending on clinical productivity.

(4) Academic Enrichment Fund. The fourth major change is the establishment of the College of Medicine Academic Enrichment fund. This fund is financed by 10% of the annual clinical earnings of the clinical departments -- a significant increase over previous Medical Service Plan financial transfers to the College of Medicine. This money is available to enhance the academic, clinical and functional environment of the College of Medicine and its constituent departments and programs at the discretion of the Dean.

VOTE ON THE MOTION: The motion carried unanimously.

ORGANIZED DELIVERY SYSTEM. The Board Office recommended the Board authorize the University of Iowa Health Sciences Center:

- (1) To complete transactions necessary for the University of Iowa Health Sciences Center to participate in the Statewide Organized Health Care Delivery System as proposed in the joint venture agreement and the operating agreement for a limited liability corporation.
- (2) To create a subsidiary entity to provide an organizational framework for a future Regional Physician-Hospital Organization.

In June 1994, the Board authorized the University of Iowa to execute a Memorandum of Understanding expressing its commitment in the form of a non-binding letter of intent to work toward the development of a statewide integrated health services delivery system with McNerney Heintz, Inc., CommUnity Financial and Insurance Corporation, Iowa Health System, and Mercy Health Services..

Since the Board action in June, representatives of these parties have developed a detailed understanding of the business, financial, and legal aspects of the proposed transaction. The definitive documents to complete the transaction are in their final stages and a target closing date has been set for September 16, 1994.

University officials requested authorization to complete the transactions as set forth in the joint venture agreement.

The Statewide Organized Health Care Delivery System is only one part of an emerging strategy to position the Health Sciences Center to meet its academic, research, and clinical service responsibilities. As part of this strategy, university officials requested authorization to develop additional partnerships in the university's more immediate service area by pursuing creation of a formal physician hospital organization (PHO). In order to coordinate the statewide and regional efforts, university officials intend to create a subsidiary entity to establish an organizational framework for the PHO.

President Berenstein stated, as he did in June, that he had a conflict of interest and asked that Regent Hendricks chair this portion of the meeting.

Regent Hendricks assumed the position of chair of the meeting.

Regents Newlin and Collins stated that they also had conflicts of interest, and excused themselves from participation in this matter.

Vice President Manasse reviewed the background of the requested action. He noted that time was of the essence. University officials anticipate closing the deal on September 16 at which time they can then proceed as Integrated Health Delivery (IHD) and do the necessary planning, organization and implementation for the sale of the United Choice health insurance plan for which the provider members of IHD will be delivering health care services.

Regent Hendricks asked Deputy Attorney General Allen if the Board of Regents had a quorum and if there were any constraints on how many Regents it took to carry a vote. Mr. Allen responded that six was a quorum and a majority of the six would carry an issue.

Mr. Schantz addressed the development of the legal documents involved in these matters and highlighted the essential features of the transaction. The basic objective of the joint venture was to offer a new managed care health insurance product on a statewide basis. He said this was not an agreement for the four large entities to work together on other forms of care. Hospitals will continue to compete in the provider marketplace. He said there has been little conceptual change in the letter of intent since June. The IHD entity which the providers would create would be in the form of a limited liability company versus a traditional stock corporation. They would have the limited liability feature while avoiding double taxation.

Another key concept of the plan is the closer integration of the insurance and provider components in order to create the right incentives and to help the risk bearing part of the operation understand the care delivery part of the organization so the risk bearers believe that the providers are focusing on efficiencies. Mr. Schantz said the IHD will have a 20 percent interest in CommUnity's Iowa managed care business. Each of the three provider entities will contribute \$3 million to the IHD. The IHD will, in turn, enter into a stock purchase agreement with CommUnity for 20 percent of the stock. He said earnings of CommUnity will be returned in the form of performance bonuses or dividends but most likely would be retained to supply additional reserves as the company grows. He emphasized the statewide nature of the plan.

Mr. Schantz stated that the action proposed today was only a piece of a variety of activities the University of Iowa Health Sciences Center will need to do to be prepared to adjust to the changing market place. Another activity is for the Health Sciences Center to become quite active in its more regional service area where it can do some primary and secondary care. The University of Iowa Hospitals and Clinics must be

more than a tertiary care facility. To that end, university officials were proposing to create a non-profit subsidiary entity. The non-profit subsidiary in turn will create a for-profit corporation that would be the regional hospital organization.

Mr. Schantz said this transaction was one of the more heavily "lawyered" activities in which the University of Iowa had become involved. Issues such as antitrust and state constitutional restrictions on owning shares of a for-profit corporation were addressed. He said there was only a very modest antitrust risk by adopting the recommended action. In the event the organization gets a very large market share it will have to be monitored. With respect to the constitutional issue, he said there was no litigation in Iowa or around the country on this issue. What case law they could find indicated that the purpose of the constitutional provision was to protect tax payers from open-ended investment risks.

Mr. Schantz stated that he has kept the Attorney General's Office briefed throughout the process, and had discussed the constitutional and antitrust issues with them. Deputy Attorney General Allen has reviewed the critical documents and was prepared to give the Regents his views on either of those issues if the Regents had further questions.

MOTION:

Regent Furgerson moved to authorize the University of Iowa Health Sciences Center: (1) To complete transactions necessary for the University of Iowa Health Sciences Center to participate in the Statewide Organized Health Care Delivery System as proposed in the joint venture agreement and the operating agreement for a limited liability corporation. (2) To create a subsidiary entity to provide an organizational framework for a future Regional Physician-Hospital Organization. Regent Johnson-Matthews seconded the motion.

MOTION TO AMEND:

Regent Dorr moved to amend the motion by striking item (2).

Regent Hendricks asked for a second to the motion. Hearing none, she declared:

THE MOTION TO AMEND THE MOTION DIED FOR LACK OF A SECOND.

Regent Dorr said he was not certain that the explanation had been very clear about the benefits of participating in the IHD nor what all the relationships were. He acknowledged that the transactions were probably all necessary but they needed to ensure long-term support and funding for these efforts. They also need to continue a strong educational component. He hoped that as this evolves the explanations are much more clear than they were at this point. He was not sure he had a clear understanding of how they get out of this if it doesn't work. He hoped that someone would quickly and aggressively prepare graphic materials to better explain what they are doing and why. He was concerned about authorizing the creation of a subsidiary entity.

Mr. Schantz responded that in terms of why they got involved in this, the decision was based on a lot of good advice that as managed care comes into the community it is important for the university to begin on the ground floor. He said there were some unfortunate examples of academic health centers that did not get involved and were ultimately left out. The reason for becoming involved is partly for learning and partly to get the culture adjusted to what is necessary to operate in a managed care environment. The disastrous consequence would be that the patient flow and the ability to train students would decline markedly.

Regent Dorr asked if Mr. Schantz was saying that not participating would have a fairly significant impact on the institution's ability to maintain the teaching facility.

Mr. Schantz confirmed his understanding.

Regent Pellett asked if there was an "out" clause. Mr. Schantz responded that there was an express termination provision. The provision requires 6 months' notice. The university is making a three-year commitment. There is a fairly significant penalty if termination occurs within the first 3 years but the financial penalty is quite modest after that time.

Regent Tyrrell stated that there is tremendous support throughout the state for supporting the academic health center at the University of Iowa. Although there is competition, the vast majority of the provider community is entirely committed to a strong academic health center even though it may involve sacrifices elsewhere in the state to maintain it. Although he was not completely satisfied with the language, he said the institution has to be a part of the changing health care environment by taking a leadership role.

VOTE ON THE ORIGINAL MOTION: The motion carried with Regents Berenstein, Collins and Newlin abstaining.

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 five new projects for approval by the Board.

Lower Finkbine--Repair Flood Damage \$727,000
Source of Funds: Insurance Settlement, Federal Emergency
Management Agency, and Income from
Treasurer's Temporary Investments

Preliminary Budget

Construction	\$ 582,000
Design, Inspection and Administration	
Consultants	57,300
Architect/Engineering Services	28,700
Contingencies	<u>59,000</u>
TOTAL	<u>\$ 727,000</u>

University officials requested approval of a project description and budget for flood damage repair of the softball complex, track complex and parking areas of the Lower Finkbine Athletic/Recreational Complex. The complex, which consists of four softball fields, the university track and associated support facilities, was severely affected by the flooding of 1993. Much of the area was inundated for nearly three months. This project will repair damages resulting from the flooding.

University officials gave careful consideration to relocation rather than reconstruction of these facilities. The decision to proceed with reconstruction was based on comparative cost estimates and the fact that the City of Coralville is in the process of implementing extensive flood control measures which should greatly diminish the chances of flooding reoccurring.

The project will provide for comprehensive restoration and flood repairs to the softball complex and parking area. This work will include repairs to access roads and parking areas, removal of flood debris, repairs to electrical and audio systems, structural

repairs (bleachers, support buildings, dugouts, and benches), replacement of damaged warm-up equipment and tarpaulins, and resurfacing and re-sodding of fields and support areas. The work in the track complex will consist of restoration of the track base as necessary, replacement of the track surface, and re-striping.

Vice President True noted that this area would not be insured.

Institutional Roads--UIHC Emergency Drive \$805,520
Source of Funds: Institutional Roads Funds

Preliminary Budget

Construction	\$ 644,350
Design, Inspection and Administration	
Consultants	88,612
Architect/Engineering Services	8,158
Contingencies	<u>64,400</u>
 TOTAL	 <u>\$ 805,520</u>

University officials requested approval of a project description and budget for the construction of the Hospital Emergency Drive which will provide access to the Emergency Treatment Center, John Pappajohn Pavilion, Pomerantz Family Pavilion, and West Campus Parking Ramp. The roadway will connect Hawkins Drive and South Grand Avenue and will be routed along the south side of Hospital Parking Ramp #2 and John Pappajohn Pavilion, and the west and north sides of the Field House.

The project will be constructed in three phases: South Main Entrance - Hawkins Drive to the West Campus Parking Ramp; West Access Drive - West Campus Parking Ramp to the Emergency Treatment Center (for emergency vehicles only); and East Access Drive - Emergency Treatment Center to South Grand Avenue.

The roadway will consist of Portland cement pavement varying from 20 to 40 feet in width and will include curbs and gutters. New sidewalks and lighting will also be included in the project. Iowa Department of Transportation specifications and standard drawings will be included in the construction documents.

Dental Science Building--Reconstruct Visitor Parking Lot \$543,450
Source of Funds: Parking System Improvement and Replacement
Fund, and Telecommunication Improvements,
Extensions and Repairs

Preliminary Budget

Construction	\$ 433,900
Design, Inspection and Administration Consultants	57,725
Architect/Engineering Services	8,425
Contingencies	<u>43,400</u>
TOTAL	<u>\$ 543,450</u>

Source of Funds:

Parking System Improvement and Replacement Fund	\$ 500,000
Telecommunications Improvements, Extensions, and Repairs	<u>43,450</u>
TOTAL	<u>\$ 543,450</u>

University officials requested approval of a project description and budget for expansion and improvements to Parking Lot No. 33. The lot is located directly west of the Dental Science Building and serves patients and visitors of the dental clinics as well as faculty and staff.

Specific improvements to the parking lot will include the reconfiguring the west vehicular access, relocating the toll booth, and providing parking spaces for persons with disabilities near the building entrance. General improvements include additional site lighting in expanded areas, repairs and resurfacing of the existing lot, sidewalk replacement for better pedestrian circulation, general landscaping and drainage improvements, and provisions for bicycle parking. In addition, a buried telecommunications cable which must be installed between Carver-Hawkeye Arena and the Dental Science Building, will be included as part of this project to minimize disruption to the area.

Project design and a portion of project inspection will be provided by Shoemaker and Haaland Professional Engineers, Coralville, Iowa. The agreement for these services in the amount of \$47,775 was approved by the Board in May 1994.

West Campus Chilled Water Loop--Final Phase \$400,000

Source of Funds: Utility Enterprise Improvement and Replacement
Funds, and College of Pharmacy Division of
Pharmaceutical Services

Preliminary Budget

Construction	\$ 320,000
Design, Inspection and Administration Consultants	43,100
Architect/Engineering Services	4,900
Contingencies	<u>32,000</u>
TOTAL	<u>\$ 400,000</u>

Source of Funds

Utility Enterprise Improvement & Replacement Fund	\$ 350,000
College of Pharmacy Division of Pharmaceutical Services	<u>50,000</u>
TOTAL	<u>\$ 400,000</u>

University officials requested approval of a project description and budget for extension of west campus chilled water service. This project will extend chilled water supply and return piping routed along South Grand Avenue. The 20 inch diameter pipe will extend from the intersection of South Grand Avenue and the University Hospitals Emergency Drive northward to an existing line located south of the Medical Laboratories. A 14 inch service connection will also be extended to the basement of the Pharmacy Building to serve the Pharmaceutical Services facility. The project will include provisions for a future service connection to the Medical Research Center.

Engineering Building--Replace Windows \$300,500
Source of Funds: Academic Building Revenue Bonds

Preliminary Budget

Construction	\$ 258,400
Design, Inspection and Administration	
Consultants	1,700
Architect/Engineering Services	14,600
Contingencies	<u>25,800</u>
 TOTAL	 <u>\$ 300,500</u>

University officials requested approval of a project description and budget for the replacement of 93 wooden frame windows in the original portion of the Engineering Building. The existing windows have deteriorated to the point where repairs are no longer feasible. The windows pose a safety hazard, are not energy efficient, and contribute to occupant discomfort.

The replacement windows will consist of wooden frame insulated glass styled to preserve the character of the building. Any existing window air conditioners will be reinstalled and louvers will be replaced. The new windows will be painted to match those present in the balance of the building.

University officials presented the following revised project budget for Board approval:

University Hospitals and Clinics--Pre-Surgical Work-up and Same Day Surgery Admission Facility
Source of Funds: University Hospitals Building Usage Funds

Original Budget \$510,150
Revised Budget \$640,755

Project Budget

	Original Budget <u>June 1993</u>	Revised Budget <u>Sept. 1994</u>
Construction	\$ 413,075	\$ 566,025
Architectural/Engineering Support	35,110	35,110
Planning and Supervision	20,655	11,320
Contingency	<u>41,310</u>	<u>28,300</u>
TOTAL	<u>\$ 510,150</u>	<u>\$ 640,755</u>

University officials requested approval of a revised project budget in the amount of \$640,755, an increase of \$130,605, for the renovation of approximately 3,400 gross square feet of space on the fifth floor of John Colloton Pavilion. The project will provide a central location for the pre-surgical evaluation of patients who will be discharged or admitted to an inpatient unit following recovery from their surgical procedure.

Six bids were received for construction of this project on July 19, 1994. All of the bids exceeded the preliminary project budget. The bids were competitive, with the three low base bids within 5.9 percent of each other. The low bidder received five mechanical subcontractor bids and four electrical subcontractor bids indicating that the major subcontractor work was competitive.

University officials reported that several factors contributed to the high bids. These factors included the requirement to preserve the dust-free environment of the adjoining Operating Room Suite throughout construction, and the need to provide the Operating Room Suite staff with access through the construction zone during construction. Other contributing factors included construction work that would occur in areas remote from the main project and construction re-work of a main steam line. Construction market conditions were also a contributing factor. Certain essential subcontractors (mechanical and finish plasters) are currently in very short supply.

The project architect did not believe the project could be redesigned to achieve a significant cost reduction. The facility would not be functional if the scope of the project were reduced. Therefore, university officials requested that the preliminary budget be revised to \$640,755. This will allow award of the contract to the low bidder for the base bid of \$549,769, plus Alternate #1 in the amount of \$30,256, for a total award of \$566,025. The alternate will incorporate construction of an equipment storage room

and clean utility room which are considered essential to the function of this new patient care facility.

Regent Dorr stated that the recommendation was for a \$130,000 increase in the projected budget. He said these types of increases continue to happen on a regular basis. There was one other similar item this month.

Vice President True responded that the West Campus Steam Distribution project was most likely the other project for which Regent Dorr was concerned. He said one of the things that has been occurring is an uptake in prices; engineering estimates are not always consistent with bids. He noted that there was considerable competition for the UIHC project; however, there was a time lapse between the engineering estimate and the receipt of bids. The same was true with the West Campus Steam Distribution project. During 1993-94 in Iowa there was a 64 percent increase in the amount of non-residential construction. He said that for both of the above-mentioned projects it was the judgment of university officials that there was sufficient competition.

University officials presented the following revised project budget which was approved by the Executive Director to allow award of the construction contract.

West Campus Steam Distribution Improvements and Extensions

Original Budget \$1,662,500
Revised Budget \$1,799,000

Project Budget

	Original Budget <u>June 1993</u>	Revised Budget <u>Aug. 1994</u>
Construction	\$ 1,330,000	\$ 1,551,200
Design, Inspection and Administration	199,500	187,500
Contingencies	<u>133,000</u>	<u>60,300</u>
TOTAL	<u>\$ 1,662,500</u>	<u>\$ 1,799,000</u>

STATE UNIVERSITY OF IOWA
September 7-8, 1994

	Original Budget June 1993	Revised Budget Aug. 1994
Source of Funds:		
1993 Utility System Revenue Bonds	\$ 1,662,500	\$ 1,680,000
Utility Improvement and Replacement Funds	_____	119,000
TOTAL	\$ 1,662,500	\$ 1,799,000

On July 15, 1994, the university received two bids for the portion of this project which will provide steam service from the Field House to the Colloton Pavilion. The low base bid in the amount of \$1,436,000 exceeded the engineering estimate by 15.3 percent. The bid also exceeded the construction budget for the project.

The initial project budget approved in June 1993 included \$1,330,000 for construction. A previous contract award in the amount of \$295,200 (for steam service from the Colloton Pavilion to the Pomerantz Family Pavilion) reduced the construction balance to \$1,070,800.

University officials recommended award for the second contract to the low bidder for the base bid of \$1,436,000 plus Alternate #1 in the amount of \$8,000, for a total award of \$1,444,000. The university's recommended award exceeded the construction balance by \$373,200.

University officials indicated they would address the deficiency in the construction budget with the following: assigning a portion of the project to the Hospital Emergency Drive project (\$134,000), reducing the project contingency by \$72,700, and applying contractor credits in the form of change orders (\$30,000). These adjustments totaled \$236,700, and reduced the deficiency to \$136,500. On August 3, 1994, the Executive Director approved the revised project budget in the amount of \$1,799,000, an increase of \$136,500, to remove the deficiency in the project budget and allow award of the contract.

University officials reported 21 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. Included was the President's Residence--102 Church Street project in the amount of \$13,950. This project will renovate space in the basement of the facility for use by residence staff for planning of official house functions.

ARCHITECT/ENGINEER AGREEMENTS

Institutional Roads--UIHC Emergency Drive \$88,612
Shive-Hattery Engineers and Architects, Iowa City, Iowa

University officials requested approval to enter into an agreement with Shive-Hattery Engineers and Architects to provide design services and resident project engineering for the project. The firm is an approved Department of Transportation consultant and is familiar with the various phases of the project. The agreement provides for a fee of \$88,612, including reimbursables.

Lower Finkbine--Repair Flood Damage \$57,277
Shive-Hattery Engineers and Architects, Iowa City, Iowa

University officials requested approval to enter into an agreement with Shive-Hattery Engineers and Architects to provide design services and resident project engineering for the project. The agreement provides for a fee of \$57,277, including reimbursables.

West Campus Chilled Water Loop--Final Phase \$43,100
Shive-Hattery Engineers and Architects, Iowa City, Iowa

University officials requested approval to enter into an agreement with Shive-Hattery Engineers and Architects to provide design services and resident project engineering for the project. The agreement provides for a fee of \$43,100, including reimbursables.

Amendments:

University Hospitals and Clinics--Development of an Eye Institute \$321,380
Hansen Lind Meyer, Inc., Iowa City, Iowa

University officials requested approval of Amendment #7 to the agreement with Hansen Lind Meyer for additional services in the design of the Eye Institute project. The expanded services include design for the lower level and mezzanine level corridors providing access to the future telecommunications switchgear room and the Information Systems Computer Facility; Ophthalmology additional program space for a library and conference room; an additional service elevator to service shell space and an additional public elevator. The expanded services also include revisions to the original design which include a special roof membrane system; lobby entry space including

communication stair and two-story floor opening; building emergency generator and fuel tank system; 1,000 ton chiller; emergency power electrical interconnection system with the Pappajohn Pavilion; back-up boiler; and shell space for mechanical, electrical and telecommunications infrastructures. These infrastructures will provide for future electrical systems layout, electrical connections, lighting, electrical closets, communication system layout, telecommunication closets, communication closets, electrical equipment housekeeping pads for the upper floor shell spaces on Levels 2, 3, 4 and 5.

Amendment No. 7 will not result in an increase in the total project budget.

University Hospitals and Clinics--A Multi-Disciplinary Rehabilitation Center, an Expanded Orthopaedic Clinic with Radiology and an Orthopaedic Faculty Office Suite \$8,040

University officials requested approval of Amendment #6 to the agreement with Hansen Lind Meyer for additional services in the design of this project. The expanded services include development of documents for owner-purchased X-ray illuminator view boxes and associated trim for incorporation into the final project. Additional services will also include the redesign of the Radiology Office interior and conversion of lower level Pappajohn Pavilion rest rooms to meet Orthopaedic Multidisciplinary Rehabilitation Center requirements.

Amendment No. 6 will not result in an increase in the total project budget.

University Hospitals and Clinics--Development of a Surgical Intensive Care Unit in the Pappajohn Pavilion \$5,935

University officials requested approval of Amendment #6 to the agreement with Hansen Lind Meyer for additional services in the design of this project. The expanded services include design services for relocation of the staff locker room to allow for construction of the Satellite Blood Dispensary.

Amendment No. 6 will not result in an increase in the total project budget.

West Campus Steam Distribution Improvements and Extensions \$20,000
Shive-Hattery Engineers and Architects, Iowa City, Iowa

Hawkeye Drive Relocation and Intersection Improvements \$6,977
Shive-Hattery Engineers and Architects, Iowa City, Iowa

College of Medicine Administration Building--Completion of
Third Floor \$5,000
Hansen Lind Meyer, Iowa City, Iowa

Parking Lot Improvements \$2,150
Shoemaker and Haaland, Coralville, Iowa

University Hospitals and Clinics--General Hospital Sprinkler Installation--
Phase A \$1,400
Design Engineers, Cedar Rapids, Iowa

CONSTRUCTION CONTRACTS

University Hospitals and Clinics--Pre-Surgical Work-up and
Same Day Surgery Admission \$566,025
Award to: McComas-Lacina Construction Company, Inc., Iowa City, Iowa

University officials requested approval to award the construction contract to the low bidder, McComas-Lacina Construction Company, as follows:

Base Bid of \$545,769, plus Alternate #1 of 20,256 =

TOTAL AWARD OF: \$566,025

(5 bids received)

West Campus Steam Distribution Improvements and Extensions
Tunnel and Associated Piping, NE Corner of Field House into
Colloton Pavilion \$1,444,000
Award to: Iowa Bridge and Culvert, Inc., Washington, Iowa
(2 bids received)

College of Medicine Administration Building Completion \$569,000
Award to: Hillebrand Construction of the Midwest, Inc., Davenport, Iowa
(5 bids received)

University Hospitals and Clinics--Multidisciplinary Faculty and Staff
Office Development \$472,600
Award to: Mid-America Construction Company of Iowa, Iowa City, Iowa
(5 bids received)

<u>University Hospitals and Clinics--Replace East Carver Pavilion Roof</u> Award to: Iowa Falls Roofing of Cedar Rapids, Cedar Rapids, Iowa (2 bids received)	<u>\$388,893</u>
<u>West Campus Chilled Water Plant Expansion--Final Phase-- General Construction</u> Award to: Quad City Mechanical, Inc., Davenport, Iowa (4 bids received)	<u>\$281,550</u>
<u>West Campus Steam Distribution Improvements and Extensions-- Steam Service, Colloton Pavilion to the Pomerantz Family Pavilion Extension</u> Award to: AAA Mechanical Contractors, Inc., Iowa City, Iowa (5 bids received)	<u>\$259,200</u>
<u>Recreation Building--Athletic Facilities Improvement Program-- Locker Package</u> Award to: Simon Corporation, Middleton, WI (5 bids received)	<u>\$79,200</u>

CHANGE ORDERS TO CONSTRUCTION CONTRACTS

<u>Steam Distribution System Improvements--Power Plant to South Grand Avenue</u>	<u>\$71,000</u>
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University officials requested approval of Change Order #9 in the amount of \$71,000 to the agreement with ACI Mechanical Corporation. The change order will provide additional payment for the contractor's overhead due to delays in the project resulting from the university's request for additional work. The direct labor and materials for the additional work were included in earlier change orders but overhead costs were excluded while the university continued to negotiate these items with the contractor.

The extra work included asbestos removal, utility vault reconstruction, water main tie-ins and other miscellaneous needs that became evident during the construction process. The contractor's original request included claims for days lost due to weather, which the university rejected.

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

North Capitol Improvements Project
Suburban Constructors, Inc., Cedar Rapids, Iowa

Van Allen Hall--Install Fire Alarm--Asbestos Abatement
Curry Environmental Services, Inc., Milan, IL

Academic Building to House the College of Business
Mid-America Construction Company of Iowa, Iowa City, Iowa

Phillips Hall Remodeling--Asbestos Abatement
Twice Over Clean, Inc., Bartonville, IL

University Hospitals and Clinics--Pappajohn Pavilion Public Rest Rooms, Stairwells
and Cartlift Finishing
Merit Construction Company, Cedar Rapids, Iowa

Pappajohn Business Administration Building--Backboards, Whiteboards and
Chalkboards
Mid-America Construction Company of Iowa, Iowa City, Iowa

Van Allen Hall--Repair Exterior, Replace Roof--Asbestos Abatement--Exterior Repairs
Package
Iowa-Illinois Thermal Insulation, Inc., Davenport, Iowa

Van Allen Hall--Install Fire Alarm
Voltmer, Inc., Decorah, Iowa

North Campus Chilled Water Plant--Chilled Water Expansion--Ceramic Cooling Tower
Ceramic Cooling Tower Company, Fort Worth, TX

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

REPORT TO THE BOARD AS BOARD OF TRUSTEES FOR UNIVERSITY OF IOWA HOSPITALS AND CLINICS. The Board Office recommended the Board receive the report from University of Iowa Hospitals and Clinics.

This was the quarterly report of the University of Iowa Hospitals and Clinic (UIHC) to the Board of Regents as the Board of Trustees of the UIHC.

President Rawlings introduced two outstanding individuals who had recently joined the University of Iowa: Ed Howell, Director of the University of Iowa Hospitals and Clinics, and Robert Kelch, Dean of the College of Medicine. He stated that both individuals came with outstanding national reputations. He thanked Vice President Manasse for his efforts in the recruiting process.

Vice President Manasse reviewed the agenda with the Regents. With regard to the presentation by Dr. Maureen Martin on the organ transplant program, he said she brings new meaning to the term "doing the Lord's work".

Director Howell stated that he was truly pleased to be with the Regents today. Since he had only been in office 37 days, he shared with the Regents that his initial impression was that the University of Iowa Hospitals and Clinics is truly a quality institution. He stated that the health care environment is changing rapidly. He looked forward to working with Dean Kelch in the development of the clinical services strategic plan as well as working with all of the Regents.

Mr. Staley stated that the University of Iowa Hospitals and Clinics was recently named as one of America's best hospitals. Otolaryngology, ophthalmology and orthopedics at University of Iowa Hospitals and Clinics were named among America's top ten in a nationwide poll of physicians. Urology was ranked highly, as well. He discussed patient census information. Admissions have been steady for the past 5 years. The average length of patient stay declined slightly in the last year, from 6.9 to 6.8 days. Patient census has increased due to heavier use of specialty inpatient units. The case mix index, which measures the overall clinical complexity of the patient census, continues to increase. The case mix index of University of Iowa Hospitals and Clinics is substantially higher than for other hospitals in the state. There has been a growth in ambulatory clinic visits and a reduction in the length of in-patient stay. Mr. Staley said that while everything the Regents had been shown to this point was very positive, in order to preserve the patient base they cannot be complacent.

Mr. Staley discussed the growth in the last 1 to 2 years in the number of managed care patients. He said managed care contracts call for payments which are substantially lower than the full cost of operating the University of Iowa Hospitals and Clinics including educationally-related costs. University of Iowa Hospitals and Clinics officials are continuing to seek ways to cut operating expenses.

The University of Iowa Hospitals and Clinics serves as the primary teaching hospital in the state. Total students training on a representative day is 1,314. Mr. Staley discussed the growth in student population.

Mr. Yerington presented the quarterly financial report as of June 30, 1994, including a summary of how FY 1994 ended and a follow up to the discussion in May of the statement of cash budget and projected cash flow. He said the University of Iowa Hospitals and Clinics revenues were within budget as were expenditures. Salary expenses were under budget as were professional and scientific supplies, utilities and building repairs. The funds freed up were used for equipment expenditures.

With regard to cash budget and cash flow projections, Mr. Yerington discussed the analysis of operating revenues for FY 1989 through 1996 on an accrual accounting basis.

Regent Newlin asked why actual 1993-94 claims were not shown. Mr. Yerington responded that he did not have the final figures especially on an accrual basis. When UIHC officials return to the Board in December they should have the final audited figures on an accrual basis. He said the projection for this year is for an operating margin of \$13.5 million which is 3.28 percent of operating revenues.

Mr. Yerington discussed from where the funds come for capital expenditures and other non-operating types of needs. Funds are provided from sources such as operating margin, supply inventory, deferred revenues in accounts receivables, and building and equipment depreciation. Additional items of revenue that may provide funds for capitals are investment income and gifts and grants. Expenditures projected for FY 1995-96 total \$65.7 million while projected income totals \$50 million. Actual expenditures in FY 1992-93 and FY 1988-89 were \$53.4 million and \$33.3 million, respectively. There is a decline in funds but it is a planned decline. There was a maximum of funds committed in 1990-91 of \$123 million. By 1995-96 they expect the number will be \$61 million. They will begin to build back up as the capital program has matured and the capital demands are less. The cash flow will presumably stay at the same level of \$50 million so those should start to grow again. He would like those funds to be in the area of 90 days' reserve. If 1995-96 were at that level the reserve would be somewhere in the area of \$100 million.

Regent Collins asked if the "building additions and improvements" expenditure line item was for additions and improvements as well as new buildings. Mr. Yerington responded that the line item covered all kinds of buildings additions and renovations.

Regent Collins asked how much of that amount was for renovation. Mr. Yerington responded that the average annual expenditure for renovation, not new additions, was \$8 million to \$10 million.

Regent Collins asked about depreciation. Mr. Yerington responded that there are two components to depreciation – equipment and buildings. He said the facilities are very well maintained. He feels they should build up to the 90-day reserve level in the next 10 years. The idea is not to be spending at the level of depreciation.

Regent Collins suggested they should consider actually reserving the funds in a separate account with the funds to be available to meet current capital needs. Could they do so with a certain percent of it?

Mr. Yerington responded that they need to consider establishing a policy that a certain amount of depreciation is reserved for future renovation.

Regent Tyrrell noted that the UIHC is just now completing a 20-year capital development plan. Once that program is completed they can set up a program to reserve funds.

Director Howell said he plans to develop a long-range capital program for University of Iowa Hospitals and Clinics which will include a re-examination of current commitments. He envisions it will be brought to the Board in reasonably short order and will be included in the strategic plan.

President Berenstein said he assumed that the deficits every year are paid out of capital funds. As the bonds are paid off there is less capital commitment.

Mr. Yerington said that was correct. He said that one of the concerns of hospital administrators is that capital set-aside funds not be used to pay operating or other costs.

President Berenstein asked if Regent Collins' idea of two separate funds, one for operating funds and one for capital funds, was realistic. Mr. Yerington responded that managerially the options are how much flexibility they would have if they set aside and restrict funds somehow.

Regent Dorr said it appeared that much of the UIHC's success is predicated on 1) their operational efficiencies reduction efforts will continue to be successful and 2) assuming they will cut the percent of growth of expenses by 45 percent versus revenue cut of 25 percent. He cautioned that the revenue assumptions might be high. He expressed concern that they were getting below the reserve levels at which Mr. Yerington earlier said he would feel comfortable maintaining. Did Mr. Yerington think the goals could be attained and could they control expense growth and maintain revenues at the levels they were anticipating?

Mr. Yerington responded that the revenue projections have been conservative. The growth in managed care patients will continue. In 1995-96 they expect managed care reimbursements to be 14-15 percent of total revenues. He noted that there are some things driving up revenues including the aging of the population. They are projecting growing Medicare referrals as a result. They have attempted to recognize where they think they will lose revenues and are reasonably comfortable. With respect to expenses, he said they have to cut \$15 million each year for the next 4 years. They are formulating that plan now. They have to cut 17 percent of the operating budget in order to be competitive.

Regent Dorr questioned whether that effort would involve reducing services or programs, or would it simply be extracted through "efficiencies". Mr. Yerington responded that it would not be done just through efficiencies. He suggested that Mr. Howell discuss some of his thoughts on how to approach this.

Director Howell responded that oftentimes the focus is only on managing the costs. He said a number of studies have shown what they have to do in this changing environment is manage value. They have to examine the whole issue of productivity. There are some areas where UIHC's volume continues to grow. They need to make sure they are becoming more productive in all areas. They will balance that with some expense reductions. They will also take a good hard look at programs. It is not a singular strategy that is going to be important and it is not a snapshot strategy. It is one that has to be long term and multi-dimensional.

Regent Dorr asked if UIHC officials planned to come back to the Board with a strategy for an overall method of maintaining levels. Director Howell responded that as they look at clinical services, the College of Medicine has to be an integral part of that. There will be a collaborative strategic plan effort between the hospital and the college.

Mr. Hesson began the presentation on the organ transplant program at the University of Iowa Hospitals and Clinics and discussed the Iowa Statewide Organ Procurement Program. He noted that they were celebrating the 25th anniversary of the first kidney transplant at the hospital. Cornea transplants date back to 1955. He discussed the evolution of organ and tissue transplant services at the University of Iowa Hospitals and Clinics. Recognition has been received nationally. On at least six occasions staff have been elected to leadership positions of national transplant organizations.

The Iowa Statewide Organ Procurement Organization, a freestanding non-profit organization, was established in December 1993. The primary motive was to concentrate greater efforts into educational initiatives. Mr. Hesson said those efforts

have succeeded beyond the most optimistic projections of that organization. The number of donors has increased by 177 percent in one-half year. Liver recoveries have increased by 250 percent since the same period a year ago. Among the 67 national organ procurement organizations, Iowa has moved up to #13 in terms of organs recovered per million population. The initial transition plan for the organization called for its support by the transplant hospitals in Iowa through a program under which prepayments were made for anticipated organs to be received by the hospitals through the organization. It was felt that the organization would need that support. It appears now with the increased activity of organ recoveries that the target will be achieved well ahead of the anticipated date.

Mr. Hesson stated that it does no good to recover organs unless they are put to good use. Since November 1992, primarily as a result of the efforts of Dr. Martin, the number of procedures performed at University of Iowa Hospitals and Clinics has increased significantly. The average length of stay and costs are both going down.

Dr. Martin stated that last spring when she made her first presentation to the Regents the hospital had done over 100 transplants for the fiscal year. The number of transplants is up to close to 150 at a little more than half way through 1994. She expects the final number to approach 250. The significant growth in the transplant program has been made through a number of efforts. There has been a lot of hard work throughout the communities. They have received the support of the hospital and the medical school for a lot of projects they wanted to get off the ground as well as support of the Board of Regents. She was delighted to report that the University of Iowa Hospitals and Clinics will be in the top 10 organ transplant centers in the U.S. in the next year. In 1992 UIHC was in 62nd position and it is now number 15.

Dr. Martin reviewed the history of organ transplants at UIHC. She said skin grafts were the first transplants done in the world. Transplants now include bone marrow and solid organs. She discussed the matching of organs with recipients. Matching is critical in bone marrow transplants but not so with organ transplants. The issue of organ rejection becomes an important one. The introduction of cyclosporine has increased survival rates dramatically. With regard to advances, she said the size of adult organs can be cut down for children. It takes teams of experts to manage transplant patients. In addition to surgery they also must deal with medical complications.

The most commonly transplanted organ is the kidney followed by the heart and the liver. Dr. Martin stated that approximately 25,000 organs have been transplanted in the U.S. They must balance organ supply with candidates. There are questions of limiting transplant candidacy for alcoholics, hepatitis patients and patients with tumors in the lung which will recur. Transplantation is very expensive. The State of Oregon is not

going forward with including transplants in primary care. In many other states this is not so. She hoped that would not be the mandate in Iowa. Iowa has had a policy so far that has ensured that no patient needing a transplant is denied because of financial considerations.

As of 1994, 102 kidney transplants have been performed at University of Iowa Hospitals and Clinics. They expect to have done 150 kidney transplants by the end of the year. Dr. Martin said there has been a tremendous growth in the hospitals' living donor program. For the 100 Iowans on the kidney waiting list, she is able to offer a service for patients who have relatives or friends who want to donate their organs. They are doing well with kidney donations. They have performed their first transplant of an infant kidney from a father's donated kidney. She said the child will now grow, develop and thrive normally. Dr. Martin provided examples of other child transplant patients from Iowa.

Dr. Martin discussed how the decision is made at University of Iowa Hospitals and Clinics on who is accepted/rejected for transplants. They utilize a multidisciplinary team approach which includes financial evaluation, pathology, psychiatric evaluation, hepatologists, social workers, nurses and surgeons. UIHC's liver transplant survivorship is the best rate in the country. The number of retransplants is lower than the national average.

Dr. Martin concluded by stating that despite the fact that organ transplants are expensive, there are a number of issues to be decided. Are they willing to spend the money to manage the medical complications if a patient is not transplanted? Are they willing to let people die for the sake of money? If they are going to negotiate for transplantation services, they must make sure they do the best job they can to serve the patients.

President Berenstein asked, if the Regents adopt the proposed ODS, will transplants be included in the services available to patients? Vice President Manasse responded that one of the reasons that UIHC is an attractive partner in the ODS is that it offers many of those kinds of specialized services. Transplants for patients who belong to the ODS will be performed at University of Iowa Hospitals and Clinics.

Regent Hendricks stated that she was recently among a group of physicians when she heard Dr. Martin referred to as one of Iowa's greatest resources. Dr. Martin stated that it had been a wonderful 2 years since she came to Iowa. The enthusiasm has traveled throughout the state which has been a big vote of confidence.

Regent Collins asked Dr. Martin for clarification of how long after transplant a life can be extended. Dr. Martin responded that kidney transplant patients live reasonably normal lives; however, it is not as clear with liver transplant patients. Survivorship of patients who were transplanted in the mid-1980s are the patients they are now looking at. The dictum in the transplant community is that if the liver transplant patient lives the first year, he/she will live 5 years. If they live 5 years chances are they are going to live 10. The overall survival rate at 10 years for patients for whom they used an older immunosuppressive regimen shows that about 60 percent of liver transplant recipients will be alive at 5 years and a few less at 10 years. Those numbers will get better because they are using better anti-rejection drugs.

Regent Collins asked if the number of donors is dwindling. Dr. Martin responded that the answer was two-fold. In this country there are enough organ donors but they are not identified. It is very difficult for some physicians to approach families of patients who are brain dead, for example, for organ donation. There is also the issue of convincing families that the donors will not be mutilated, the family will not be charged for the services, and treatment will not deliberately be withdrawn from the donor patient because their organs are needed.

President Berenstein asked about the effect of living donor transplants on the donor. Dr. Martin said that was something she has always worried about. Living donor transplants have been done for 40 years. Dr. Murray won a Nobel Prize for a kidney transplant of a twin brother into his sibling. Those identical twins are still alive 40 years later. Studies indicate no shortened life span for a living donor of a kidney. The statistics are a little different with liver transplants. One 26-year-old mother donated part of her liver and later died. The doctor needs to explain the issues to the families.

Regent Dorr pointed out that a former member of the Board of Regents had a successful liver transplant and is now actively involved in the statewide organ procurement program.

Vice President Manasse introduced William Hesson and Robert Rodnitzky for the presentation on delegated governance functions.

Mr. Hesson discussed the governance functions which the Board of Regents has delegated to the UIHC.

Dr. Rodnitzky discussed the agenda items for University Hospital Advisory Committee from July 7, 1993, through June 15, 1994. He noted that he had just began the second year of his 2-year term as chief of staff. There are several recurring responsibilities of the advisory committee throughout the year, which he described.

ACTION: President Berenstein stated that Board received the report from University of Iowa Hospitals and Clinics, by general consent.

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 and Thursday, September 7 and 8, 1994.

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

Register of Personnel Changes for July and August 1994, which included three requests for early retirement and two for phased retirement.

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

CENTER FOR TEACHING EXCELLENCE. The Board Office recommended the Board receive the oral presentation about the Center for Teaching Excellence.

Dr. Steven Richardson gave a presentation on the Center for Teaching Excellence at Iowa State University that summarized the current activities and future plans for the center.

The center is one of the centerpieces in Iowa State University's strategic planning initiative to improve undergraduate education. The center's programs began in August 1993 with an orientation session that acquainted newly-hired faculty with the teaching resources available at Iowa State University, the demographics of Iowa State University's population, teaching techniques, and information on performance evaluations.

Many of the efforts of the center during its first year of operation have been directed toward initiating a campus dialog about the quality of teaching and how to improve teaching. Through monthly evening forums and newsletters distributed to all faculty, the center has helped Iowa State University faculty articulate a clearer vision of teaching excellence.

The center also has made available to individual faculty advice and resources on improving course materials, classroom presentation, and teaching evaluations.

President Jischke introduced Dr. Steven Richardson. He said Dr. Richardson graduated from Harvard and has taught at every level of the university. He is involved in the development of curriculum and is a gifted teacher. Dr. Richardson was appointed to the Center for Teaching Excellence in 1993 and is working toward improving the excellence of undergraduate education at Iowa State University.

Dr. Richardson stated that the mission of the Center for Teaching Excellence is to help Iowa State University's faculty become better teachers. He said that most college teachers are good teachers; however, there was not a single one who could not improve their teaching skills. Iowa State University faculty spend more time teaching than on any other activity. A goal of the university's strategic plan is to further develop those teachers. Most professors are trained as experts in their own disciplines. They become experts by doing things on their own. Teaching is done in isolation; rarely do faculty watch each other teach. They also do not get much of a chance to talk about teaching. He said students learn best if teachers are confident, enthusiastic and communicate their goals.

Faculty support for the center has been very high. Dr. Richardson has never had any trouble getting volunteers to participate in the center's offerings. Some of the programs in the last year included climate building and a monthly faculty forum with a chosen topic each month. He said 30 to 70 people have attended the forums each month. There has been discussion of outcomes assessment and of sensitive issues. The monthly forums have been a very popular program. The center distributes a newsletter which goes to all faculty on campus. The center's staff have helped plan and organize the faculty conference sponsored by the provost's office. Center staff coordinate teaching workshops, and workshops at the departmental or college level on particular issues. A very successful program is held concerning effective teaching, handling large classes, etc.

Dr. Richardson said he spends much of his time visiting classes. He has also spent a lot of time with faculty members who are concerned about teaching required courses where there is a high drop-out rate or a high failure rate. The center sponsors a program called Project Aware that brings diversity issues directly to the classroom. Last year Project Aware was brought to the accounting department of the College of Business. The center receives grants for instructional development. Many faculty are not aware of the great body of knowledge that is available on how to teach. The center has a library borrowing program which is open to all university faculty. The center is also connected to Internet. Collaborative learning in electrical engineering was found through Internet.

Dr. Richardson believes in recognition for good teaching. When the time comes for tenure decisions, teachers can speak easier about their research than their teaching. He is working on how teaching might be better reflected in the tenure review process for which there is a renewed interest on campus.

With regard to upcoming efforts of the Center for Teaching Excellence, Dr. Richardson said they are working on cooperative ventures with other Regent universities and training for distance education. A publication entitled Resources for Teaching for Diversity, just off the press that morning, will begin to be distributed to departments tomorrow. More workshops are being developed. He looked forward to at least as much faculty participation as last year. There has been strong vocal support for the center's efforts to increase the quality of teaching at Iowa State University. Dr. Richardson is encouraged by the participation. Faculty now talk about the quality of their teaching. One hundred percent (100%) of several foundation courses are now being taught by senior faculty.

Regent Collins asked if faculty participation was voluntary. Dr. Richardson responded that it was.

Regent Collins asked for the amount of faculty participation. Dr. Richardson responded that of the approximately 1,700 faculty on campus, 15 to 20 percent of the faculty have been directly involved in the center. All of the faculty are exposed to the center through its monthly newsletter.

Regent Pellett said she is amazed that for 4 years students are taught how to become teachers but professors can be teachers without any formal teaching background. She said they need to address how good teachers are being rewarded.

Dr. Richardson said they need to revisit how teaching is evaluated. In many places on campus they are now questioning whether they have been looking at teaching effectively in the reward structure.

Regent Pellett said she hoped that was happening at all the universities; it has to be a prime mission to do so.

Dr. Richardson stated that despite the fact that university faculty are not taught how to teach, they do a remarkably good job. He compared it to parents not being taught how to parent. He noted that teaching is being rewarded much more visibly than it was in the past.

Regent Newlin asked what kind of activity was going on within each college.

Dr. Richardson responded that the activity depends upon the college. The colleges usually have a committee that oversees the teaching excellence activities and works with the center.

Regent Johnson-Matthews questioned whether graduate assistants are able to utilize the resources of the Center for Teaching Excellence. Dr. Richardson responded that he does not have the ability to handle graduate assistants; however, he has never turned away a graduate student.

Regent Tyrrell stated that he was very impressed with the videotape provided to the Regents by Dr. Richardson. On the videotape it was emphasized that faculty listened to what their students had to say and altered their courses as a result of students' comments. He noted that he had loaned the videotape to many people.

Dr. Richardson stated that 120 copies of the videotape had been sold across the country as well as in South Africa.

ACTION: President Berenstein stated the Board received the oral presentation on the Center for Teaching Excellence, by general consent.

NAME CHANGE FOR THE IOWA STATE MINING AND MINERALS RESOURCES RESEARCH INSTITUTE. The Board Office recommended the Board refer the university's request to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials requested a change in the name of the Iowa State Mining and Mineral Resources Research Institute to the Center for Coal and the Environment. The proposed name more clearly captures this unit's history, programs and future plans.

The proposed title reflects the unit's primary research mission: to minimize the environmental impacts of coal use as well as traditional areas of research by this group of researchers.

ACTION: This matter was referred by consent.

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

Buchanan and Wallace Halls--Elevator Upgrade and Modernization

Source of Funds: Dormitory System Surplus

Original Budget \$390,000

Revised Budget \$535,000

Project Budget

	Original Budget <u>April 1993</u>	Revised Budget <u>Sept. 1994</u>
Contracts	\$ 350,000	\$ 456,000
Design Services	30,000	49,000
Construction Administration	3,800	5,000
Miscellaneous	1,000	1,000
Project Reserve	<u>5,200</u>	<u>24,000</u>
TOTAL	<u>\$ 390,000</u>	<u>\$ 535,000</u>

University officials requested approval of a revised project budget in the amount of \$535,000, an increase of \$145,000, for elevator improvements in Buchanan and Wallace Halls. The initial project budget of \$390,000 was approved by the Board in April 1993. In August 1993 the university received one bid for the project which exceeded the initial project budget. Given the university's priority to utilize Dormitory Surplus Funds to complete flood-related projects, university officials requested that the Executive Director reject the bid. The Residence Department decided to postpone completion of the project until adequate funding was available.

University officials have decided to complete the construction in two phases. This approach will assist the department in funding the project. Phase 1 (Wilson Hall elevators) will be completed in August 1996. Phase 2 (Buchanan Hall elevators) will be completed during August 1997. Schedule changes are reflected in the revised project budget.

In May 1993 the Board approved an agreement with the elevator consultants of Lerch, Bates and Associates, Highlands Ranch, Colorado, to provide engineering services for the project. The university plans to utilize the firm to refine the original project bidding documents prior to re-bidding the project and to provide construction administration services.

Birch-Welch-Roberts Hall--Roof Replacement
Source of Funds: Dormitory System Surplus

Original Budget \$225,000
Revised Budget \$280,000

Project Budget

	Original Budget <u>April 1993</u>	Revised Budget <u>Sept. 1994</u>
Contracts	\$ 183,500	\$ 230,700
Design Services	33,000	35,500
Construction Administration	2,500	2,800
Miscellaneous	1,000	1,000
Project Reserve	<u>5,000</u>	<u>10,000</u>
 TOTAL	 <u>\$ 225,000</u>	 <u>\$ 280,000</u>

University officials requested approval of a revised project budget in the amount of \$280,000, an increase of \$55,000, for the replacement of the roof for Birch-Welch-Roberts Hall. The initial project budget was approved by the university in April 1993. In February 1994 the university received one bid for the project which exceeded the anticipated construction budget. The Residence Department decided to postpone the project until adequate funding was available.

Residence Department officials now wished to proceed with the project with a revised project budget. The construction will be re-bid within the original scope of work but with the addition of two add alternates to assist in receiving competitive bids.

University officials reported six 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

Intensive Livestock Research and Instruction Facilities
RDG Bussard Dikis, Des Moines, Iowa
(Pre-design Architectural Services)

\$538,000

University officials requested approval of the selection of RDG Bussard Dikis to provide design services for the project. For administrative purposes, the project was divided into two parts, the Kildee/Meats Lab addition, and the Livestock Infectious Disease Isolation Facility at Veterinary Medical Research Institute. The university received expressions of interest from 11 firms for the Kildee/Meats Lab and nine firms for the Livestock Infectious Disease Isolation Facility. The Architectural Selection Committee reviewed the credentials of the applicants and selected five firms/teams for interviews and further evaluation. Four firms were selected to interview for both components of the project, and one additional firm was selected to be interviewed for the Livestock Infectious Disease Isolation Facility portion only.

University officials recommended the selection of RDG Bussard Dikis, Des Moines, Iowa, to provide design services for both portions of the project. The firm and its proposed consultant team demonstrated extensive experience, ability, and enthusiasm for the project. They requested approval of an agreement with RDG Bussard Dikis to provide for pre-design architectural services for the project. The agreement provides for a fee of \$538,000, including reimbursables.

At the conclusion of the pre-design phase, the university will present the written building program and detailed initial project budget to the Board for approval.

Parking Lots 28 and 28 Improvements \$16,500
Shive-Hattery Engineers and Architects, West Des Moines, Iowa
(Engineering Services)

University officials requested approval to enter into an agreement with Shive-Hattery Engineers and Architects to provide engineering services for the project. The Shive-Hattery firm was selected because of its extensive experience in civil engineering projects and its availability to begin design immediately. The agreement provides for a fee of \$16,500, including reimbursables.

Amendments:

Applied Science Center--Office Building \$1,609
Shiffler Associates, Des Moines, Iowa

University officials requested approval of Change Order #4 in the amount of \$1,609 to the agreement with Shiffler Associates. The change order will provide additional design services and request for proposal documentation for additional drive and parking grading and paving which were not included in the original scope of the work.

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

General Campus Water and Wind Damage 1993 \$17,000
Brown Engineering Company, West Des Moines, Iowa

University officials requested approval of Change Order #1 in the amount of \$17,000 to the agreement with Brown Engineering Company. The change order will provide inspection services for the installation of a fiberglass piping system.

During the design phase for the Veterinary Medicine condensate line replacement, the consultant recommended the installation of a fiberglass piping system to eliminate the recent corrosion failures experienced on the line. The fiberglass system was bid at a price which was less than half of the cost to replace the line with steel pipe which is currently installed. The fiberglass piping system requires close inspection during the installation of all joints to ensure a quality installation. The university does not have personnel available to supply these inspection services and proposes to use Brown Engineering Company for these required field services.

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

Birch-Welch-Roberts Hall--Roof Replacement \$6,000
Rietz Engineering Consultants, Ames, Iowa

University officials requested approval of Change Order #1 in the amount of \$6,000 to the agreement with Rietz Engineering Consultants. The change order will provide for the modification, printing and issuing of bid documents required for re-bidding the project as outlined in the revised project budget in Section C of this capital register.

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

Utilities--Increased Chilled Water Capacity--Phase I \$4,500
Brown Engineering Company, West Des Moines, Iowa

Gilman Hall Renovation--Phase 3 \$32,000
Wehner Pattschull and Pfiffner, Iowa City, Iowa

Dairy Industry--Addition and Renovation--Phase 3 \$11,380
RDG Bussard Dikis, Inc., Des Moines, Iowa

CONSTRUCTION CONTRACTS

<u>Reiman Gardens</u>	<u>\$1,247,200</u>
Award to: Woodruff Construction Company, Fort Dodge, Iowa (1 bid received)	
<u>Utilities--Increased Chilled Water Capacity--Phase 1, Cooling Tower No. 8--Mechanical and Electrical Work</u>	<u>\$57,500</u>
Award to: Baker Mechanical, Inc., Des Moines, Iowa (2 bids received)	
<u>Iowa State Center--Water Damage 1993--Exterior Lighting</u>	<u>\$36,780</u>
Award to: Nikkel and Associates, Inc., Ames, Iowa (2 bids received)	
<u>General Campus Water and Wind Damage 1993--Vet Med Condensate Line Replacement</u>	<u>\$197,700</u>
Award to: ACI Mechanical Corporation, Ames, Iowa (2 bids received)	

CHANGE ORDERS TO CONSTRUCTION CONTRACTS

<u>Carrie Chapman Catt Hall Remodeling</u>	<u>\$73,850</u>
Harold Pike Construction Company, Ames, Iowa	

University officials requested approval of a change order to the agreement with Harold Pike Construction Company in the amount of \$78,850. At the time this project was bid in March 1994, budget estimates dictated that the existing roof covering material not be replaced. Upon inspection, university officials determined that with some minor patching the existing roof had a useful life of possibly five to ten years. The option to postpone replacement of the roof was not a desirable choice but was acceptable due to budget constraints.

The bid opening resulted in a low base bid approximately ten percent below the engineering estimate. As a result of the favorable bids, the project budget will now permit the university to incorporate into the project roof replacement with a high quality roofing material of a character more consistent with the historical nature of the building. Re-roofing will eliminate concerns about damage to the roof during construction and will ensure a watertight roof structure for an extended period of time.

Harold Pike Construction Company, the general contractor, proposed a cost of \$73,850 to re-roof the building using composition shingles. This proposal was reviewed in detail and found to be acceptable by the project architect and university staff. University officials reported that this change can be accomplished within the existing project budget.

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Energy Management System Modernization and Upgrade--Phase 4
L. A. Fulton and Sons, Inc., Des Moines, Iowa

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<u>Meats Laboratory Addition--Phase I</u>	<u>\$6,039,883.52</u>
<u>Varsity Track Resurfacing</u>	<u>\$251,048.53</u>
<u>Knapp and Maple Halls--Elevator Modernization</u>	<u>\$380,596.97</u>

MOTION: Regent Dorr moved that the Register of Capital Improvement Business Transactions for Iowa State University be approved, as presented. Regent Johnson-Matthews seconded the motion.
MOTION CARRIED UNANIMOUSLY.

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

Iowa State University officials sought approval to renew its lease as lessee with Dayton Road Development Corporation for 2,401 square feet of office space located in Ames, Iowa, for use by the university's Small Business Development Center, at the rate of \$2,296.75 per month (\$11.48 per square foot, \$27,561 per year), for a one-year period;

Iowa State University officials sought approval to renew its lease as lessee with University Towers Partnership for 625 square feet of office space located in Ames, Iowa, for use by the university's Small Business Development Center, at the rate of \$650 per month (\$12.48 per square foot, \$7,800 per year), for a one-year period; and

Iowa State University officials sought approval to enter into a lease as lessee with the ISU Research Park Corporation for 385 square feet of space located at the ISU

Research Park, for use by the ISU Telecommunications Office at the rate of \$1 per year for a term of 99 years.

MOTION: Regent Tyrrell moved to approve leases, as presented. 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.

REMOVAL OF THE RESIDENCE AND STORAGE BARN AT CURTISS FARM. The Board Office recommended the Board authorize Iowa State University to dispose of the residence building and storage barn located on the Curtiss Farm, 2219 South State Avenue, Ames, Iowa.

Iowa State University officials requested approval to dispose of the residence building and the storage barn located on the Curtiss Farm. They wish to sell the residence to the highest bidder for removal from the property.

The residence is valued at \$3,363. Removal of the foundation and clean up of the site will be performed by the university, with the clean-up costs to be paid from the revenue from the sale.

University officials wish to demolish the storage barn, which is in a dilapidated and unsafe condition. The barn is valued at \$4,146. The university expenses for demolition and removal of the barn will be paid by farm operating revenues.

MOTION: Regent Johnson-Matthews moved to authorize Iowa State University to dispose of the residence building and storage barn located on the Curtiss Farm, 2219 South State Avenue, Ames, Iowa. 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.

SALE OF \$6,545,000 ACADEMIC BUILDING REVENUE BONDS, SERIES ISU 1994.

The Board Office recommended the Board, subject to the receipt of acceptable bids, :

- (1) Adopt A Resolution providing for the sale and award of \$6,545,000 Academic Building Revenue Bonds, Series I.S.U. Series 1994, and approving and authorizing the agreement of such sale and award.
- (2) Adopt A Resolution authorizing and providing for the issuance and securing the payment of \$6,545,000 Academic Building Revenue Bonds, Series I.S.U. 1994, for the purpose of paying costs of building construction projects including planning costs, construction and remodeling of livestock research facilities and fire safety and deferred maintenance projects of Iowa State University of Science and Technology and for costs of issuance.

The bonds and the projects to be funded with the proceeds were authorized by the General Assembly in 1994. The proceeds from the sale of the bonds will be used to fund the following capital projects at Iowa State University (project amounts are rounded to nearest thousand and include allocations for debt service reserve and issuance costs):

Swine and Cattle Units	\$3,179,000
Livestock Research - Planning	2,119,000
Fire Safety/Deferred Maintenance	<u>1,247,000</u>
Total	\$6,545,000

The receipt and opening of bids was scheduled for 11:30 a.m., and the award was scheduled for 1:30 p.m. on Wednesday, September 7, 1994.

Mr. Luther Anderson of Springsted, Inc., and Mr. Kenneth Haynie of the Ahlers law firm were present at the Banking Committee meeting to report the substance of the bids and make recommendations for award of the bonds.

Bond Specifics:

Average Maturity: 17.59 Years
Bonds Dated: October 1, 1994
Interest Due: January 1 and July 1 commencing July 1, 1995
Optional Call: Bonds maturing on or after July 1, 2005 are callable commencing July 1, 2004 and any date thereafter at par
Denomination: \$5,000 and integral multiples thereof

The resolutions to be adopted at this Board meeting were prepared by the Board's bond counsel, the Ahlers law firm.

Mr. Anderson stated that four bids were received, as follows: Stephens, Inc., bid a true interest rate of 5.6664 percent; Chiles Heider, Division of Smith Barney Shearson, Inc., bid a true interest rate of 5.4699 percent; Piper Jaffray, Inc., bid a true interest rate of 5.3139 percent; and Merrill Lynch & Co., bid a true interest rate of 5.3100 percent. He said Merrill Lynch & Co.'s bid just edged out the bid of Piper Jaffray by .0039 percent, and he recommended awarding the sale to Merrill Lynch.

MOTION:

Regent Hendricks moved to (1) Adopt A Resolution providing for the sale and award of \$6,545,000 Academic Building Revenue Bonds, Series I.S.U. Series 1994, and approving and authorizing the agreement of such sale and award. (2) Adopt A Resolution authorizing and providing for the issuance and securing the payment of \$6,545,000 Academic Building Revenue Bonds, Series I.S.U. 1994, for the purpose of paying costs of building construction projects including planning costs, construction and remodeling of livestock research facilities and fire safety and deferred maintenance projects of Iowa State University of Science and Technology and for costs of issuance. Regent Collins seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.
ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

President Berenstein stated that the sale was another great job done by Springsted, Inc.

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 and Thursday, September 7 and 8, 1994.

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

Register of Personnel Changes for July 1994.

Presented for the Board's information was the two-year appointment of REINHOLD BUBSER as Acting Assistant Vice President for Academic Affairs and Professor at an eleven-month salary of \$69,422, effective August 22, 1994.

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

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

PERMISSION TO PROCEED WITH PROJECT PLANNING

Performing Arts Center

University officials requested to proceed with project planning for the construction of a Performing Arts Center to serve the needs of the College of Humanities and Fine Arts, the College of Education, and the Division of Student Services. The principal users will include the School of Music, the Departments of Communication Studies and Theatre, and the School of Health, Physical Education and Leisure Services. The Center's educational and artistic activities will involve large numbers of students, faculty and community patrons. Vocal and instrumental musical ensembles and soloists, along with dance and theatre productions would be performed by students and faculty groups as well as guest artists.

The building will contain approximately 115,000 gross square feet of space. Included is a main auditorium seating 1,500 to 1,700, with advanced acoustical design and state-of-the-art lighting technology.

Approval to proceed with project planning will allow the university to refine the previously-developed building program document and proceed with associated planning activities, including the architectural selection process.

The estimated cost of the project is \$17,800,000, to be funded by a combination of private funds and State appropriations. The university's budget request includes \$8.8 million in State appropriations and \$9.0 million in private funds. The university plans to proceed with the architectural selection process and project design in order to provide tangible signs to project donors. Completion of the university's fund drive is dependent upon the completion of architectural plans. This requirement has been expressed by potential donors of major gifts. The university will utilize private funds to support the planning costs of the project.

PROJECT DESCRIPTIONS AND BUDGETS

University officials submitted one revised project budget for Board approval.

Wellness/Recreation Center

Original Budget \$17,970,000
Revised Budget \$17,735,000

Project Budget

	Original Budget <u>Nov. 1993</u>	Revised Budget <u>Sept. 1994</u>
Contracts/Purchase Orders	\$ 13,309,000	\$ 14,732,100
Utility Extensions	868,000	
Landscaping/Site Development	489,100	
Consultant and Design Services	1,389,000	1,230,000
Furnishings and Equipment	1,042,000	900,000
Art Work	89,900	89,900
Contingencies	<u>783,000</u>	<u>783,000</u>
 TOTAL	 <u>\$ 17,970,000</u>	 <u>\$ 17,735,000</u>

UNIVERSITY OF NORTHERN IOWA
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	Original Budget <u>Nov. 1993</u>	Revised Budget <u>Sept. 1994</u>
Source of Funds:		
Academic Building Revenue Bonds	\$ 12,800,000	\$ 11,500,000
Building Fund for Student Activities	5,170,000	6,000,000
Institutional Funds	<u> </u>	<u>235,000</u>
	<u>\$ 17,970,000</u>	<u>\$ 17,735,000</u>

University officials requested approval of a revised project budget in the amount of \$17,735,000, a decrease of \$235,000. The revised budget reflects an adjustment in the line item detail to correspond with the actual amount of bond funds to be applied to construction of the facility. The source of funds has been revised to reflect this amount and also includes an adjustment in the allocation of Student Activity funds and other institutional funds.

President Berenstein questioned the decrease in the project budget. Vice President Conner responded that the adjustment of the budget was made to reflect the dollars available from the sale of the bonds.

University officials reported one new project with a budget of less than \$250,000. The title, source of funds and estimated budget for the project was listed in the register prepared by the university.

ARCHITECT/ENGINEER AGREEMENTS

Amendments:

<u>Industrial Technology Center Research Space</u>	<u>\$1,037</u>
Janice E. Sweet and Associates, Iowa City, Iowa	

CONSTRUCTION CONTRACTS

<u>Library Addition--Telecommunications System</u>	<u>\$199,530</u>
Award to: Paulson Electric Company, Waterloo, Iowa (3 bids received)	

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

PROPOSED PROPERTY PURCHASE. The Board Office recommended the Board authorize the University of Northern Iowa to purchase property located at 3214 Hudson Road, Cedar Falls, Iowa, subject to approval of the Executive Council of Iowa.

University of Northern Iowa requested to purchase property located at 3214 Hudson Road in Cedar Falls from the Gladys M. Baughman estate. The property consists of a lot 110 feet by 240 feet located south of the university campus. The property is within the Board-approved campus plan.

The property includes a 1,208 square foot ranch-style home which is currently unoccupied. The university plans to either rent the house or assign it for university use.

The sellers have completed a Groundwater Hazard Statement which indicated that there are no known environmental hazards on the property.

Two appraisals have been reviewed and the purchase price for the property was established at \$94,500, which is in compliance with Board policy. Funds for the purchase are available from Treasurer's Temporary Investments.

MOTION: Regent Tyrrell moved to authorize the University of Northern Iowa to purchase property located at 3214 Hudson Road, Cedar Falls, Iowa, subject to approval of the Executive Council of Iowa. Regent Johnson-Matthews seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Collins, Dorr, Furgerson, Hendricks, Johnson-Matthews, Newlin, Pellett, Tyrrell.
NAY: None.
ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

LEASE OF PROPERTY. The Board Office recommended the Board approve the lease, as presented.

University of Northern Iowa officials requested approval to enter into a lease as lessee with Hawkeye Community College for 418 square feet of space located on the campus of Hawkeye Community College, Waterloo, Iowa, at the rate of \$243.83 per month (\$7 per square foot, \$2,926 per year) for a five-year period.

MOTION:

Regent Tyrrell moved to approve the lease, as presented. 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.

RENAME THE AUDITORIUM BUILDING AS LANG HALL. The Board Office recommended the Board approve renaming the Auditorium Building on the campus of the University of Northern Iowa as Lang Hall.

University of Northern Iowa officials proposed to rename the Auditorium Building in memory of Dr. William Lang, a long-time distinguished faculty member and Vice President for Academic Affairs for over a decade.

After his retirement in 1976, Dean Lang maintained his interest in the University of Northern Iowa, completing a two-volume history of UNI, the second volume being published later this fall.

Dean Lang's death on August 6 resulted in an outpouring of requests for recognition.

President Curris presented the recommendation on behalf of the University Advisory Committee on Naming of Buildings. He said the auditorium is the oldest standing classroom facility on the campus. In the last year Dean Lang was quite active in university activities and took occasion in the room the Regents were now meeting in (Great Reading Room, Seerley Hall) to explain the history of the building and the history of the murals in the room.

President Curris recommended the Board approve the renaming and said it was heartily endorsed throughout the university.

Regent Furgerson stated that the recommendation was very appropriate. Dean Lang's office was on the third floor of the Auditorium Building. She said Dr. Lang was a wonderful human being, and her unofficial advisor. After she graduated, whenever she achieved recognition for various activities she would receive a note or a telephone call from Dr. Lang.

MOTION: Regent Furgerson moved to approve renaming the Auditorium Building on the campus of the University of Northern Iowa as Lang Hall. Regent Johnson 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 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 and Thursday, September 7 and 8, 1994.

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

Register of Personnel Changes for July 1994.

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

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office stated there were no transactions on the Iowa School for the Deaf capital register this month.

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 and Thursday, September 7 and 8, 1994.

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

Register of Personnel Changes for the period June 18 to July 30, 1994.

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

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office stated that the Iowa Braille and Sight Saving School had no transactions on its Capital Register this month.

APPROVAL OF CONTRACT FOR LANGUAGE ARTS INSTRUCTIONAL SERVICES AND SCHOOL PSYCHOLOGICAL SERVICES. The Board Office recommended the Board approve contracts for Language Arts Instructional Services and Psychological Services.

Iowa Braille and Sight Saving School officials submitted two professional services contracts to the Board for approval. The contract for Language Arts is with a former IBSSS employee who will provide 1.5 hours per day. School officials believe that this will provide for adequate instruction in the Language Arts. The Psychological Services will be provided two days a week by certified staff from the Grant Wood Area Education Agency.

The estimated cost for both FY 1995 contracts was \$24,996 (\$7,500 for Language Arts and \$17,496 for Psychological Services). The contracts were reviewed by the Attorney General's Office.

The services being requested are a critical part of the educational and residential services provided to IBSSS students.

IOWA BRAILLE AND SIGHT SAVING SCHOOL
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MOTION: Regent Dorr moved to approve contracts for Language Arts Instructional Services and Psychological Services. Regent Newlin seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

AMENDMENT TO LEASE. The Board Office recommended the Board approve the lease amendment, as presented.

School officials requested approval of an amendment to its lease as lessor with Happy Time Child Development Center, for the addition of 440 square feet of space, for a total of 4,940 square feet to be rented at the rate of \$630.32 per month (\$1.53 per square foot, \$7,563.84 per year), effective September 1, 1994, through the remainder of the existing lease agreement, June 30, 1995.

MOTION: Regent Tyrrell moved to approve the lease amendment, as presented. 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.

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

ADJOURNMENT.

President Berenstein thanked President Curris and Director McDonald for their hospitality and assistance.

IOWA BRAILLE AND SIGHT SAVING SCHOOL
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The meeting of the State Board of Regents adjourned at 11:28 a.m., on Thursday,
September 8, 1994.

A handwritten signature in black ink, reading "R. Wayne Richey". The signature is written in a cursive style with a horizontal line underneath it.

R. Wayne Richey
Executive Director