

The State Board of Regents met on Wednesday and Thursday, April 19-20, 1995, at the University of Iowa, Iowa City, Iowa. The following were in attendance:

	<u>April 19</u>	<u>April 20</u>
<u>Members of State Board of Regents</u>		
Mr. Berenstein, President	All sessions	Excused at 10:10 a.m.
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
Mr. Newlin	All sessions	All sessions
Mrs. Pellett	All sessions	All sessions
Dr. Tyrrell	All sessions	All sessions
<u>Newly-Appointed Members of State Board of Regents</u>		
Mrs. Kennedy	All sessions	All sessions
Mrs. Smith	All sessions	All sessions
<u>Office of the State Board of Regents</u>		
Executive Director Richey	Excused	Excused
Deputy Executive Director Barak	All sessions	All sessions
Director Houseworth	All sessions	All sessions
Director Williams	All sessions	Excused
Research Associate Kominski	All sessions	Excused
Minutes Secretary Briggle	All sessions	All sessions
<u>State University of Iowa</u>		
President Rawlings	All sessions	All sessions
Provost Nathan	All sessions	Excused
Vice President Manasse	All sessions	All sessions
Vice President Rhodes	All sessions	Excused
Vice President True	All sessions	All sessions
Associate Vice President Small	All sessions	Excused
<u>Iowa State University</u>		
President Jischke	All sessions	Excused
Provost Kozak	All sessions	Excused
Vice President Madden	All sessions	Excused
Associate to the President Adams	All sessions	Excused
Associate Director Anderson	All sessions	Excused
<u>University of Northern Iowa</u>		
President Curris	All sessions	Excused
Provost Marlin	All sessions	Excused
Vice President Conner	All sessions	Excused
Vice President Follon	All sessions	Excused
Executive Assistant to President Stinchfield	All sessions	Excused
Director Chilcott	All sessions	Excused
<u>Iowa School for the Deaf</u>		
Superintendent Johnson	All sessions	Excused
Business Manager Heuer	All sessions	Excused
Interpreter Dommer	All sessions	Excused
Interpreter Reese	All sessions	Excused

Iowa Braille and Sight Saving School
Superintendent Thurman
Director Woodward

All sessions

April 19

All sessions
Excused

April 20

Excused

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday, April 19 and Thursday, April 20, 1995.

President Berenstein welcomed everyone to the last Regents meeting for Regents Berenstein, Furgerson and Hendricks. He said it was a distinct pleasure to welcome Ellengray Kennedy and Beverly Smith, the two newly-confirmed Regents. He asked, for the benefit of the new Regents, that those individuals with the media stand and introduce themselves, which they did.

President Berenstein asked for a moment of silence in recognition of the passing of George Droll, University of Iowa Residence System Director.

President Berenstein reported on the progress of recovery from surgery of Executive Director Richey.

APPROVAL OF MINUTES OF BOARD MEETINGS, FEBRUARY 15 AND MARCH 15, 1995.

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

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

ACTION: President Berenstein the Minutes of the February 15 and March 15, 1995, meetings were approved, as written, by general consent.

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

Receive the status report on the Board Office budget for FY 1995;

Approve the Board Meetings Schedule;

Approve the proposed 1995-96 school year calendar and calendar of holidays for 1995-96 at the Iowa School for the Deaf; and

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

MOTION: Regent Dorr moved to approve the consent docket, as presented. Regent Collins seconded the motion.
MOTION CARRIED UNANIMOUSLY.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. The Board Office reported there was no report this month from the Interinstitutional Committee on Educational Coordination.

REPORT ON THE IOWA COORDINATING COUNCIL MEETING. The Board Office recommended the Board receive the oral report on the April meeting of the Iowa Coordinating Council.

Regent Furgerson stated that the new officers were elected for the next year. David Buettner from North Iowa Area Community College will be president. She said President Jischke accepted the vice presidency and will succeed the president next year. The Coordinating Council changed its program review criteria to be consistent with that used for the community colleges. She said the council approved all but one of the new programs brought forward. The one that was not approved appeared to be the same program, with a different title, as the Master's in Business Administration that Drake University and Iowa State University offer in Des Moines and that the University of Northern Iowa offers in Waterloo. In doing the planning for the proposed new program there was no timely discussion with the universities currently offering the program. Since one of the goals of the Coordinating Council is to prevent duplication, the request led into some discussion about the role of the Coordinating Council and the fact that it is a volunteer organization. There is no penalty to an institution if its proposed program is not approved although there might be some impact on whether or not a program that had not received approval by the Coordinating Council would be accredited.

Regent Tyrrell stated that the Coordinating Council members discussed some of the more global issues including non-traditional methods of delivery and the challenges for the future. He noted that an upcoming docket item would cover some of the deliberations of the Educational Telecommunications Council. The members discussed legislative matters including the disposition of the Iowa Communications Network.

ACTION: President Berenstein stated the Board received the oral report on the April meeting of the Iowa Coordinating Council, by general consent.

UNI COLLECTIVE BARGAINING AGREEMENT. The Board Office recommended the Board (1) receive the report and (2) approve the executed United Faculty - UNI/Board of Regents Master Agreement.

The Board was asked to ratify the agreement for collective bargaining reached earlier. The United Faculty ratified the agreement on February 23, 1995. The details of the agreement were previously reported to the Board.

The terms and conditions of the agreement were in line with the negotiated and/or arbitrated agreements made by the State with the American Federation of State, County and Municipal Employees (AFSCME), Iowa United Professionals (IUP) and the State Police Officers Council (SPOC).

Deputy Executive Director Barak noted that the appropriate individuals at the institution had ratified the agreement.

MOTION: Regent Furgerson moved to (1) receive the report and (2) approve the executed United Faculty - UNI/Board of Regents Master Agreement. Regent Dorr seconded the motion. MOTION CARRIED UNANIMOUSLY.

REPORT OF THE BANKING COMMITTEE. The Board Office recommended the Board accept the report of the Banking Committee including recommended approval of the following:

- (1) Resolution for the sale of up to \$15,335,000 Center for University Advancement Revenue Bonds, Series S.U.I. 1995;
- (2) Reimbursement Resolution for SUI Telecommunication Bonds;
- (3) Selection of endowment fund manager; and
- (4) Approval of brokerage firm.

Regent Hendricks stated that the Banking Committee had been busy during the last month. She asked Barry Fick, Springsted, Inc., to present the bids received for the sale of up to \$15,335,000 Center for University Advancement Revenue Bonds, Series S.U.I. 1995.

Mr. Fick stated that two bids were received that morning. The winning bid was from a syndicate led by Piper Jaffray, with a true interest rate of 5.2312 percent. He said it was a very favorable rate and was 25 basis points below the other bid received.

Mr. Fick thanked University of Iowa staff and University of Iowa Foundation staff for their work in putting together the information submitted to the rating agency which helped to achieve the bond rating of A-1. He noted that the Regent bonds sold in January were sold at an interest rate which was 28 basis points below the bond buyer index; the interest rate for this sale was 78 basis points below the bond buyer index.

MOTION: Regent Hendricks moved to adopt the Resolution for the sale of up to \$15,335,000 Center for University Advancement Revenue Bonds, Series S.U.I. 1995. Regent Tyrrell seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Collins, Dorr, Furgerson, Hendricks, Johnson-Matthews, Pellett, Tyrrell.
NAY: None.
ABSENT: None.
ABSTAIN: Newlin.

MOTION CARRIED.

Regent Hendricks stated that the Banking Committee was making plans for the Board to sell telecommunication bonds for the University of Iowa this fall. She said some preliminary work needed to be done prior to the bond sale.

MOTION: Regent Hendricks moved to adopt a Resolution declaring an official intent to issue debt to reimburse the University of Iowa for certain original expenditures paid in connection with the construction and equipping

of improvements to the telecommunications utility of the university. 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.

Regent Hendricks discussed the process used to select and monitor the performance of endowment fund managers. Every year the Banking Committee monitors closely the performance of the firms that administer Regent endowment funds. Five years represents a complete business cycle for evaluation of the performance of the parties. She said the Banking Committee decided at its March meeting to seek a new endowment fund manager to concentrate on upper small-cap and mid-cap issues to hopefully achieve higher performance than had been achieved through the use of Warburg Pincus. The process started with a universe of 15 firms. Regents Dorr and Newlin met with university finance representatives and narrowed the field to four finalists. Those four firms were interviewed yesterday by the Banking Committee and the Banking Committee chose one firm for approval by the Board of Regents.

MOTION: Regent Hendricks moved that GMG Seneca be contacted to enter into negotiations to become the Iowa Board of Regents' new endowment fund manager for upper small-cap and mid-cap issues. Regent Dorr seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

REPORT ON 1995 LEGISLATIVE SESSION. The Board Office recommended the Board receive the report on the 1995 legislative session.

The Senate confirmed the appointments of Ellengray Kennedy and Beverly Smith to the Board of Regents on April 10 and 11, 1995, respectively. The Senate was expected to vote on the confirmation of David Fisher either April 12 or 13, 1995. (NOTE: the Senate did not confirm Mr. Fisher's appointment to the Board of Regents.)

The Senate Education Appropriations Bill (SF 266) as passed by the Senate included funding of \$557.4 million for the Regents for FY 1996; the recommended Regent operating appropriations were \$2,434,000 over the Governor's recommendations, including increased funding of \$964,000 for the University of Iowa, \$960,000 for Iowa State University, and \$510,000 for the University of Northern Iowa.

House amendment H. 3498 to SF 266 included funding of \$553.7 million for the Regents for FY 1996; the recommended operating appropriations were \$1,244,710 below the Governor's recommendations.

Tuition replacement was recommended at the latest estimate of \$27.4 million by both the Senate and House.

Neither SF 266 or H. 3498 included funding for salary increases, which will be in a separate appropriations bill.

The Senate recommendations for the community colleges and Iowa Tuition Grant Program were above and the House recommendations were below the Governor's recommendations.

The Senate Economic Development Bill (SF 463) included Regent appropriations of \$5,637,000, which were \$153,331 over the Governor's recommendations for Advanced Drug Development (SUI), the Institute for Physical Research and Technology (ISU) and the Small Business Development Center (ISU). The House Economic Development Bill (HF 512) included Regent appropriations of \$5,494,000, which were \$10,331 over the Governor's recommendations for these three programs.

Both the Senate and House versions of the Agriculture Appropriations Bill, SF 467 and HF 553 respectively, included an appropriation of \$100,000 for the Livestock Producers Assistance Program (ISU) which was the same as the Governor's recommendation.

Director Houseworth stated that some changes had taken place concerning legislative action since the docket was prepared last week. With regard to the two education appropriations bills, she said the Senate recommendation for operating funds was \$2.4 million above the Governor's recommendation, and the House amendment included funding that was \$1.2 million below the Governor's recommendation. She said it would most likely be next week before action is taken on the two bills or a compromise is reached. She noted that a separate bill would be introduced for salary funding increases. Yesterday the capital appropriations bill passed and included \$10.3 million in projects for the Regents, which was \$6 million above the Governor's recommendation. The additional funding included an extra \$2 million for each of the three universities plus \$45,000 for a telephone system for Iowa Braille and Sight Saving School.

Director Houseworth stated that many of the bills the Board of Regents was opposed to previously were no longer under consideration, except HF 387 which reduces the term of the student representative to the Board of Regents. She said the House and Senate passed different versions of the bill. The Senate version included Senate confirmation of the Board of Regents Executive Director. The House version had gone back to the Senate for consideration.

Regent Johnson-Matthews expressed alarm about what was happening in the legislature concerning the student's role on the Board of Regents. Right now a student is considered equal to the rest of the Regents. If the legislature reduces the length of the term for students appointed to the Board of Regents, it will appear as if the student is a token Regent, even if the term is for four years. She expressed concern for the voice of the students. She said the Regents needed to address the legislation and the legislature needed to take a step back and look at the spirit of why a student is actually serving on the Board of Regents.

Regent Pellett asked Regent Johnson-Matthews if she felt she would be less effective as a student representative after receiving her graduate degree in May. Regent Johnson-Matthews responded that it would be her obligation, just like it is now, to stay abreast of the issues on the campuses. She noted that she was not at Iowa State University and University of Iowa as much as she was at the University of Northern Iowa and therefore would continue to make the effort to address those students' concerns. If a quality person is appointed as a student representative on the Board of Regents, the individual will do what it takes to stay abreast of the issues of concern to students.

Regent Tyrrell said he supported Ms. Matthews' comments. Reflecting on his first two years on the Board of Regents, he said an individual does not become effective and understand the breadth of the issues during their first couple of years on the Board. He said that a student who is appointed for less than a full six-year term is not going to be considered a full-fledged Regent. Respect for the student representative is important in the student's effectiveness on the Board.

Regent Furgerson stated that the student who is appointed for a full six-year term on the Board of Regents is still a part of the student generation. It is easier for that individual to maintain the necessary contact with students on campus.

Regent Collins stated that Regent Johnson-Matthews will have the same attitudes, thought processes and experiences behind her whether she is in school or out of school. He felt it was valuable for the student Regents to be making the transition from school to work; to have the student Regent be partly in school and partly out of school and have that age group represented.

President Berenstein said there was a deeper issue that exacerbates the problem. There is a lack of communication between the Regents and the legislative body. In the last two years he has attempted, on many occasions, to facilitate the communication process. He thanked Lyle Muller from the Cedar Rapids Gazette for the entire-page feature on this issue with Senator Boswell and himself. He said the Regents should continue to take steps to open the doors of communication so legislators understand what the Regents do. He felt that if the legislators understood the full role of the student member of the Board of Regents, this legislation never would have been introduced. It was incumbent upon every one of the Regents to speak with their own legislators to make sure they understand the importance of the role of the student Regent.

President Berenstein stated that the issue of communication between the Regents and the legislature applied to many different issues. For example, the legislators would be more inclined to provide funding for deferred maintenance if they had experienced water dripping on their heads from the leaky roof on Schaeffer Hall. He stressed that it was not so much what legislators are told by the Regents. Legislators have to visit the campuses so they can be better able to make decisions concerning Regent needs.

Regent Furgerson said they all have a responsibility as Regents to take a long-range view instead of a short-range elbow jerk approach to issues. She expressed relief that to some extent the Regents are removed from the kind of political stresses that can lead to some short-range actions. She said the Regents are the only people outside of presidents of the universities or university faculty and staff who can provide that long-range perspective.

ACTION: President Berenstein stated the Board received the report on the 1995 legislative session, by general consent.

APPROVAL OF RESIDENCE SYSTEM RATES. The Board Office recommended the Board (1) approve rates for residence halls and dining contracts for the 1995-1996 academic year at the three Regent universities, as follows:

Double Occupancy Rooms with 20 Meals per Week

University	1994-95 Rate	Proposed 1995-96 Rate	\$ Increase	% Increase
SUI	\$3,423	\$3,550	\$127	3.7%
ISU	\$3,224	\$3,382	\$158	4.9%
UNI	\$2,971*	\$3,112*	\$141	4.75%

* Includes \$41 cable fee which was implemented for 1994-95; the fee has been incorporated into the rates.

(2) Approve apartment rate increases averaging:

<u>University</u>	<u>% Increase</u>
SUI	4.4%
ISU	6.3%
UNI	4.74%

At its March 1995 meeting the Board gave preliminary consideration to the proposed rate increases for residence halls, apartments and board contracts for the 1995 - 1996 academic year. The proposed rate increases were unchanged from those presented at the March Board meeting.

The proposed rates for double occupancy rooms with 20 meals-per-week board contracts were as follows:

Double Occupancy Rooms with 20 Meals per Week

University	1994-95 Rate	Proposed 1995-96 Rate	\$ Increase	% Increase
SUI	\$3,423	\$3,550	\$127	3.7%
ISU	\$3,224	\$3,382	\$158	4.9%
UNI	\$2,971*	\$3,112*	\$141	4.75%

* Includes \$41 cable fee which was implemented for 1994-95; the fee has been incorporated into the rates.

The proposed average apartment rate increases were as follows:

<u>University</u>	<u>% Increase</u>
SUI	4.4%
ISU	6.3%
UNI	4.74%

Information on the proposed rates was shared with the Associated Residence Halls (ARH) Financial Board and its House of Representatives and apartment tenants at the University of Iowa, the Inter-Residence Hall Association and the University Student Apartment Community Council at Iowa State University, and the Residence Hall Presidents Council and Northern Iowa Student Government at the University of Northern Iowa.

The proposed rates would be effective:

	<u>SUI</u>	<u>ISU</u>	<u>UNI</u>
Residence Halls	Fall Semester 1995	May 14, 1995	Fall Semester 1995
Apartments	June 1, 1995	July 1, 1995	July 1, 1995

MOTION:

Regent Furgerson moved to (1) approve rates for residence halls and dining contracts for the 1995-1996 academic year at the three Regent universities, as presented, and (2) approve apartment rate increases, as presented. Regent Hendricks seconded the motion.

Regent Collins stated that he reviewed the history of residence system rate increases compared to the increase in the consumer price index (CPI). From 1977 to 1995 the CPI increased 153.5 percent. During that same time period the University of Iowa dormitory rates increased at a level of 156 percent; Iowa State University's rates increased 185 percent, and the University of Northern Iowa's increased 166 percent. During the last 10-year period the CPI increased 41.5 percent while rates at the University of Iowa increased 67 percent, Iowa State University by 76 percent, and the University of Northern Iowa increased 64 percent. In the least year, 1994-95, the cost of living increased 2.9 percent according to the CPI. Requested increases in residence system rates at the University of Iowa was 3.7 percent, Iowa State University was 4.9 percent, and the University of Northern Iowa was 4.7 percent. Regent Collins said the increases in residence system rates did not seem in line with cost-of-living increases 10 years ago or even last year. He asked that someone from each of the universities speak to the issue.

Vice President True stated that the CPI does not measure correctly those costs the universities have to consider including salary policy of State government, water and sewer costs, purchased electricity costs, etc. If the increases in those costs were considered, there would be a profoundly different picture in the short range. With regard to 1977 forward for the University of Iowa, he said there has recently been intense interest in modernizing the facilities. In the last few years the university has been in a catch-up mode with regard to the physical facilities.

Provost Nathan stated that as with tuition, the University of Iowa's residence system rates are well below the average of its Big 10 peers while the quality of the room and board facilities are fully comparable.

Vice President Madden stated that the comments Vice President True made regarding the University of Iowa were generally true for Iowa State University. There have been some programmatic changes going back roughly a decade. Occupancy rates were running at about 110 percent of design capacity because of the enrollment pressures and demand for space. The effect of that kept costs somewhat lower. As enrollment and demographic patterns have changed, the occupancy rates are now down below 100 percent. There is a major commitment to building modernization, and life safety and fire code compliance. Funds have been budgeted for that purpose. Several years ago Iowa State University officials were directed by the Board to increase reserve requirements in the residence system.

Vice President Madden stated that as a result of the above-mentioned actions, Iowa State University had to increase residence system rates at the level described by Regent Collins. Additionally, there is increased flexibility to students in the residence hall complex. For example, a decade ago students were offered a single meal plan; students are now given a variety of choices. Some of those choices increase costs. He noted that the cost increases quoted by Regent Collins were based on the traditional double room twenty meals-per-week occupancy plan. Some students now elect to purchase less meals a week so they are buying a different kind of package for their particular lifestyle.

Vice President Madden emphasized that some of the cost increases are driven by the external factors Vice President True commented upon. Salaries next year will go up 4 percent in accordance with the State collective bargaining contract. Iowa State University is obligated to finance those additional costs for its employees. University officials are looking at ways to try to hold costs down. For example, they are looking for better ways to organize all of the food services on the campus. In the next few years they are going to need to do much more of that to be competitive in the student housing area.

Regent Collins referred to the private housing available in the campus communities and asked if the universities were competitive for comparable kinds of space.

Vice President Madden stated there was not a lot of comparable housing available in the Ames area.

President Curris stated, for the benefit of the two new Regents, that Regent universities' housing and dining systems are an auxiliary function and must be self-supporting. The universities receive no State funds for residence systems. Whatever is generated in sales of food and room rent must cover the costs of providing those services. He stated that the reasons why some of the costs had gone up higher than the CPI had been explained well by his colleagues. When the State collective bargaining comes in at a level of salary increase higher than the increase in the CPI, the universities' charges have to reflect those increased mandatory costs. Fire and environmental safety costs are also reflected in rate increases.

President Curris noted that residence system costs in Iowa tend to be below the national average for room and board. Residence rates at the University of Northern Iowa are 20 percent less than those at Clemson, the university which he will soon be joining. In a recent ranking by the University of Oklahoma, the University of Northern Iowa ranks 30th of 31 Midwest institutions in residence rates.

President Curris stated that for the last two years the Board staff has raised questions as to whether the University of Northern Iowa's residence system rates are high enough.

Regent Tyrrell noted that a recent article in the Daily Iowan compared the costs of university housing and community housing. He found it amazing how much less expensive it is to live in university housing.

VOTE ON THE MOTION: The motion carried unanimously.

President Berenstein said it was interesting that the students had nothing to say on this subject.

PROCEDURAL GUIDE REVISION, FAMILY AND MEDICAL LEAVE ACT. The Board Office recommended the Board (1) approve the following revision to the Board of Regents Procedural Guide:

4.41 FAMILY MEDICAL LEAVE

A. It is the policy of the Board of Regents that employees of Regent institutions be given family medical leave in accordance with the federal Family Medical Leave Act (FMLA).

B. The FMLA allows eligible employees to take job-protected, unpaid leave or to substitute accrued paid leave for up to a total of 12 workweeks in any 12-month period for:

1. Birth of a child and to care for the newborn child.
2. Placement of a child with the employee through adoption or for foster care.
3. Because the employee is needed to care for a family member (child, spouse, parent) with a serious health condition.
4. Because the employee's own serious health condition makes the employee unable to perform the functions of his or her job.

C. An employee on FMLA leave is also entitled to have health benefits maintained while on leave as if the employee had continued to work instead of taking the leave. If the employee was contributing toward the cost of the health benefits, the employee would continue paying the same amount.

D. The employee generally has a right to return to the same or an equivalent position with equivalent pay, benefits and working conditions.

E. The employer has a right to 30 days advance notice from the employee where practicable prior to taking FMLA leave. The employer may require an employee to submit certification from a health care provider to substantiate that the leave is due to the serious health condition of the employee or the employee's immediate family member. The employer may also require that an employee present a certification of fitness to return to work when the absence was required by the employee's serious health condition.

- (2) That the institutions should review their institutional policies and procedures developed in accordance with the interim final regulations and determine if they comply with the final regulations. Final institutional policies should be forwarded to the Board Office no later than June 1, 1995.

The Regent institutions have been granting leave in accordance with the Federal Family Medical Leave Act since August 5, 1993. The Federal law was implemented based upon interim final regulations as published in the June 4, 1993, Federal Register. In accordance with the interim final regulations, employees covered by collective bargaining agreements were eligible for the leave on February 5, 1994.

Final regulations were published in the January 6, 1995, Federal Register.

Eligible employees are entitled to 12 workweeks per year of leave for:

Childbirth and care of a newborn child

Adoption of a child or placement of a foster child

Care of a seriously ill spouse, child or parent

The employee's own serious illness

Institutions should determine if the policies and procedures used to comply with the FMLA interim final regulations are in accordance with the final regulations.

Institutional policies should be forwarded to the Board Office no later than June 1, 1995.

MOTION:

Regent Hendricks moved (1) to approve the revision to the Board of Regents Procedural Guide, as presented, and (2) that the institutions should review their institutional policies and procedures developed in accordance with the interim final regulations and determine if they comply with the final regulations. Final institutional policies should be forwarded to the Board Office no later than June 1, 1995. Regent Furgerson seconded the motion. MOTION CARRIED UNANIMOUSLY.

REVISIONS TO REGENTS MERIT SYSTEM CLASSIFICATION PLAN. The Board Office recommended the Board approve the revisions to the Regents Merit System Classification Plan as outlined below:

New Classes

Parking and Transportation Field Service Officer, pay grade 307 (\$18,366-\$24,272)

Parking Facilities Mechanic, pay grade 205 (\$16,869-\$21,341)

Parking and Transportation Attendant, pay grade 505 (\$15,974-\$21,923)

Parking and Transportation Supervisor, pay grade 111 (\$22,214-\$30,264)

Classes to be deleted

Parking Cashier Attendant, pay grade 503 (\$13,998-\$19,094)

Parking Enforcement Officer, pay grade 303 (\$14,497-\$18,740)
Parking Cashier Supervisor, pay grade 108 (\$18,990-\$26,436)

Action on these changes was tabled at the March Board meeting, and the Board requested additional information supporting the proposed changes.

Substantive changes have occurred in the parking and transportation areas at the Regent universities especially at the University of Iowa which has a separate parking and transportation department. The University of Iowa would have 23 employees affected by these changes, and Iowa State University would have three.

The proposed classifications would cover only about one-quarter of the employees in the Parking and Transportation Department of the University of Iowa.

Currently the University of Northern Iowa does not use any of these classifications. Also, the classifications are not used at the special schools.

The present classifications did not adequately describe the duties, responsibilities, and expectations. The following new classifications were developed:

Parking and Transportation Field Service Officer, pay grade 307
Parking Facilities Mechanic, pay grade 205
Parking and Transportation Attendant, pay grade 505
Parking and Transportation Supervisor, pay grade 111

The classes to be deleted are Parking Cashier Attendant, Parking Enforcement Officer, Parking Cashier Supervisor, and Supervisor, Parking Control.

The funding sources for these increases at both the University of Iowa and Iowa State University is from nonappropriated funds -- parking revenues. Pay grades were assigned to the new classifications through application of the Job Classification Evaluation System. The evaluation system put into place as a result of the State's comparable worth law passed in 1983 evaluates each classification on the basis of 36 factors in four separate categories -- minimum qualifications, job scope, personal interaction, supervision exercised, working conditions, and impact. Comparing salaries in State government to those in the private sector is not a part of the evaluation method.

Code of Iowa, Chapter 70A.18 -- Compensation based on comparable worth states the following:

It is the policy of this state that a state department, board, commission, or agency shall not discriminate in compensation for work of comparable worth between jobs held predominately by women and jobs held predominately by men. "Comparable worth" means the value of work as measured by the composite of the skill, effort, responsibility, and working conditions normally required in the performance of work.

To address the Board's concerns about the pay grades for these classifications, the City of Iowa City which has a parking operation similar to that of the University of Iowa was contacted. It was found that in each classification, the City of Iowa City salaries were higher for comparable work than those proposed for the Regents Merit System classifications.

The new classes in the parking and transportation area will be effective July 1, 1995.

Director Williams stated that staff took a good look at the needs of the institutions and did comparisons with which the Regents were provided for review.

MOTION:

Regent Furgerson moved to approve the revisions to the Regents Merit System Classification Plan, as outlined. Regent Johnson-Matthews seconded the motion.

Regent Hendricks stated that the parking function was an area that could be looked into in terms of privatization. She knew of cities that use temporary Manpower

employees for those types of jobs. She felt that an annual salary of \$18,000 to \$24,000 for someone to transport parking receipts and issue parking tickets was high.

VOTE ON THE MOTION: Motion carried with Regent Hendricks voting “no”.

BOARD OFFICE PERSONNEL TRANSACTIONS. The Board Office reported no personnel transactions this month. However, the following discussion took place regarding institutional personnel matters:

Provost Marlin pointed out the inclusion of promotion and tenure actions in the universities’ personnel registers. She stressed that promotion and tenure decisions were critical and significant academic issues for the universities. Every fall when the universities bring forward their tenure reports questions are raised about the amount of increase in the number of women and minorities tenured. There is evidence of progress in hiring, promotion and tenure decisions. She was particularly pleased with the progress that had been made at the University of Northern Iowa. For what may be the first time in the history of the institution, more women than men faculty received tenure. Also, three minority faculty received tenure -- two were African American and one was Hispanic.

Regent Hendricks asked if University of Iowa officials had records of how many males applied for promotion and tenure versus how many were chosen, and the same for females.

Provost Nathan asked Associate Provost Elizabeth Altmaier to respond to the question.

Associate Provost Altmaier said she did not have exact numbers but that this year there had been a very good representation of women who were successful in tenure and promotion. She offered to get the exact numbers for the Regents by later that day.

Provost Nathan stated that both with promotions and tenure the percentage of women who qualified were higher than their numbers among the faculty.

Regent Hendricks asked to receive the information from all three universities.

Provost Kozak stated that for Iowa State University 25 women were promoted. An additional 56 women were brought forward but were not promoted; therefore, the number was roughly 1 in 5 for both promotion and tenure awards. In terms of minorities, one of the women was a minority and 10 men were minority, so 11 of the 73 faculty who were promoted and who received tenure were minority.

Provost Marlin stated that she would supply to the Board Office the information requested for the University of Northern Iowa.

Regent Pellett noted that two of the three Regent universities were very research oriented. How heavily was teaching excellence regarded in tenure decisions at those two universities?

Provost Nathan stated that in the letter of instruction to deans and department executive officers, tenure sits on three-legged “stool” -- research, teaching and service. Excellent teaching is the first hurdle. Unless teaching is good to excellent the process does not continue.

Regent Johnson-Matthews asked how teaching excellence is monitored and measured. Provost Nathan responded that students are given forms with which to evaluate faculty and write comments. Often the written narratives are very useful. Also, colleagues from the

department will sit in on classroom teaching. Syllabi are carefully reviewed. He stressed that a very rigorous effort is used to evaluate the quality of teaching.

Provost Kozak stated that at Iowa State University faculty are required to identify an area of excellence and to show competence in other areas. A faculty member who decides teaching is his/her area of excellence must be competent in the other two areas of research and service. Not only is the emphasis on teaching but also on effectiveness in the classroom. This year 11 percent of the faculty who came forward and were promoted had declared teaching as their area of excellence; 71 percent declared research as their area of excellence; and 14 percent declared extension or professional practice as their area of excellence. Faculty had to demonstrate competence and effectiveness in the other two areas.

Regent Pellett stated that the emphasis on teaching was important to know since the Regents have declared undergraduate education to be their number one priority.

Provost Marlin stated that teaching is the major function of faculty at the University of Northern Iowa. Until quality teaching is demonstrated, university officials will not consider faculty's research and service for tenure and promotion decisions. Students evaluate faculty and there is much peer evaluation that takes place including a portfolio approach, syllabus, exams and philosophy of teaching.

Regent Dorr asked if there was a definitive process by which some procedural method of evaluating faculty is exacted, or is it determined department by department?

President Jischke responded that at Iowa State University the process is elaborate and written. The process is followed by everyone with standardized forms for documentation. The requests are reviewed by departments and formal votes are taken. The deans convene separate committees and then separate recommendations are made by the deans. Those recommendations are then forwarded to the provost's office for review. The recommendations of the provost are forward to the university president who reads every dossier and makes his recommendations.

Provost Nathan stated that there was a similarly elaborate procedure for granting tenure at the University of Iowa. The tenure recommendations represent thousands of hours of scrutiny. He said the procedure is very well documented in the university regulations and occupies an enormous amount of time and effort.

Regent Dorr asked, if that was the case, why is there continually backlash about the quality of teaching that students receive? President Rawlings responded that occasionally, although almost never now, he will receive such a letter. All of the surveys completed by exiting seniors exhibit an extraordinary satisfaction with the education received. There has been a much heavier emphasis on teaching as a criteria than there was before.

Regent Dorr said that was a good point that needed to be more clearly enunciated.

President Jischke said he agreed with President Rawlings that overwhelmingly the students at Iowa State University are pleased with the education they have received. University officials do not get many letters complaining about the quality of teaching.

President Curris stated that the University of Northern Iowa has instituted and refined excellent procedures to ensure a high-level quality of teaching and scholarship on campus. Mistakes are still made, mostly in the initial hiring. Today, except in an emergency, the

university does not hire any faculty without the individual being interviewed on campus and making a class presentation.

Regent Pellett said this goes back to educating the public.

President Berenstein reminded the Regents of their first meeting of the Board. He said the citizens of Iowa do not have a complete picture of what the Regents and institutions do. There seems to be a lot of talk about the politicization of this Board when people do not know what it really does. He suggested they figure out a way to make the universities' "good stuff" better accepted. Everyone seems to hear about the bad stuff a lot more than the good stuff. He suggested that could be a mission for the universities' communications directors.

Regent Newlin stated that in the past the Regents have been presented with information about programs instituted by university officials to encourage senior, distinguished professors, many of whom are outstanding in their fields, to teach beginning classes. The Regents were told that many distinguished teachers were doing so.

Provost Nathan stated that the University of Iowa's efforts to enhance undergraduate education included restoring senior faculty to undergraduate classrooms. He said that is happening more now than it was 5 years ago. Additionally, some of the most exciting faculty and other well-regarded senior faculty have agreed to participate in the honors programs, particularly in students' first 2 years. More of the senior faculty have increased the amount of time they are spending teaching undergraduates which, he said, reflects the view on the part of many faculty that this is a very important part of what they do for the state of Iowa.

Provost Kozak stated that for over 3 years Iowa State University officials have tried to place an emphasis on the point that Regent Newlin brought forward. He noted that they define non-skills acquisition courses as being the gateway courses to a discipline. They do not encourage distinguished senior faculty to deliver remedial-type classes. Where the "rubber" hits the "road" is in Liberal Arts and Sciences because that is the college that will, for the most part, provide the core courses for almost all of the disciplines whether students are majoring in a discipline in the College of Agriculture or Veterinary Medicine or Education. Typically, students coming to the university will take their course load in the College of Liberal Arts and Sciences for their first year or two.

With that background in mind, Provost Kozak stated that for the non-skills acquisition courses, the gateway courses for the discipline, last year 70 percent of those courses were taught either by associate or full professors. He cautioned that the difference, the 30 percent, was a little misleading because included in there were graduate students who are monitoring laboratory sections. He said the university is making progress in its efforts to expose new students to the university's most distinguished faculty.

Regent Newlin asked what those numbers would have been 5 years ago. Provost Kozak said the numbers were different. As an addendum to Regent Dorr's question concerning tenure decisions, he said university officials place a lot of emphasis on external letters of recommendations from peer faculty from other institutions. It is not just an in-house decision.

President Jischke noted that Iowa State University officials pay attention to quality of teaching at times other than when they make tenure decisions. He said there are many programs on campus that are built around the idea of improving quality of teaching, such as the Center for Teaching Excellence for which the Regents recently received a presentation.

Regent Tyrrell noted that this fall the Regents would be receiving the second annual report on the emphasis on undergraduate education. He said university officials had done an excellent job and he hoped it was a continuing effort.

REPORT ON EDUCATIONAL TELECOMMUNICATIONS COUNCIL. The Board Office recommended the Board receive the report on the February 28 meeting of the Educational Telecommunications Council.

The February meeting of the Educational Telecommunications Council took place on February 28 at the Iowa Public Television studios. A large portion of the meeting was devoted to a discussion with Robert Baur, Chair of the Iowa Telecommunications and Technology Commission, the group that the ETC advises on educational matters related to the ICN.

The ETC heard a report from its communications committee in which an effort will be made to develop "talking points" for describing the development of Part III of the ICN to members of the educational community in an effort to clear up some misunderstandings regarding the equipment needed for Part III.

The ETC heard an update on the legislative actions with respect to the development of Part III of the ICN.

The ETC approved a motion in support of the development of the capability of the National Guard to develop its fiber optics capability. The ETC approved a motion making the AEAs the highest priority for hook-up to the ICN since only a few are now a part of the system. The ETC adopted a motion that requests support for the training of users on the ICN to help improve the quality of educational programming.

Regent Dorr said he was not convinced that the Educational Telecommunications Council has a full understanding of where the Iowa Communications Network will end up. He also did not believe that the area education agencies should be the highest priority for additional funds.

Regent Hendricks said she shared the same concern about the area education agencies.

ACTION: President Berenstein stated the Board received the report on the February 28 meeting of the Educational Telecommunications Council, by general consent.

STATUS REPORT ON THE BOARD OFFICE BUDGET FOR FY 1995. The Board Office recommended the Board receive the report.

No unanticipated changes in the projected revenues and expenditures had occurred in the Board Office budget since the last monthly report.

ACTION: This report was received by consent.

APPOINTMENT TO ADVISORY COMMITTEE FOR IOWA SCHOOL FOR THE DEAF. The Board Office recommended the Board approve the appointment of Dr. Norman L. Boyles to the Advisory Committee of the Iowa School for the Deaf.

President Jischke nominated Dr. Norman L. Boyles, Professor of Professional Studies in Education at Iowa State University, to fill the vacancy on the Advisory Committee for the Iowa School for the Deaf created by the retirement of Dr. Dale Baum. Dr. Boyles has a long and

distinguished record in the field of education and will be a valued addition to the Advisory Committee.

Iowa School for the Deaf officials and the Board of Regents extended their thanks to Dr. Dale Baum for his service on the Advisory Committee.

MOTION: Regent Hendricks moved to approve the appointment of Dr. Norman L. Boyles to the Advisory Committee of the Iowa School for the Deaf. Regent Collins seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

VENDOR WITH POTENTIAL CONFLICT OF INTEREST. The Board Office recommended the Board approve the request of Iowa State University to add Pirro Research to the list of approved vendors with a potential conflict of interest.

Pirro Research will provide market research in language and communications to the university. Ellen B. Pirro is employed as a temporary associate professor in the Department of Political Science and is the owner of Pirro Research.

Ms. Pirro stated that since she teaches political science courses which cover subjects and areas which are completely separate and different from the marketing research done by her company, there is no connection between the two occupations.

MOTION: Regent Dorr moved to approve the request of Iowa State University to add Pirro Research to the list of approved vendors with a potential conflict of interest. Regent Furgerson 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.

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

May 17-18, 1995	Iowa School for the Deaf	Council Bluffs
June 21-22	University of Northern Iowa	Cedar Falls
July 19-20	Iowa State University	Ames
September 20-21	University of Iowa	Iowa City
October 18-19	University of Northern Iowa	Cedar Falls
November 15-16	Iowa State University	Ames
December 13-14	Hotel Fort Des Moines	Des Moines
January 17, 1996	Telephonic	
February 21-22	University of Iowa	Iowa city
March 20-21	University of Northern Iowa	Cedar Falls
April 17-18	Iowa State University	Ames
May 15-16	Iowa Braille and Sight Saving School	Vinton
June 19-20	University of Northern Iowa	Cedar Falls

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.

President Berenstein called on Professor Steve Collins to discuss the status of the search for a president for the University of Iowa.

Professor Collins stated that the search committee had met four times. It would have another meeting tomorrow night and then would be meeting each week for the foreseeable future. He said the committee had received 229 nominations total; of those, only a small number, around 15, had actually applied for the position. Not all of the nominations had been responded to. He said the search committee and search firm had sought nominations by advertising in publications such as the Chronicle of Higher Education, Hispanic Outlook, and Black Issues. A very large number of letters were sent to the University of Iowa community, friends or supporters as well as national higher education leaders. Two public forums had been held to provide the University of Iowa community an opportunity to comment on the process. He said the committee put the search on the worldwide web via the Internet and was the first in the nation to do so.

Professor Collins discussed two goals of the committee. The first was to make the process open and accessible. The committee was “bending over backward” to do so. They hope that by doing so it will extend the reach of the call for nominations so they can identify the best candidates from around the country. Secondly, as directed by the Board of Regents, the committee is making sincere efforts to achieve a diverse pool of candidates. They are doing so in a number of ways, which he described.

President Berenstein stated that he had been receiving comments concerning this process, which started in mid-December. At this point in time he was less concerned about the openness of the process versus finding a president. The committee still has a big pool of candidates and it appeared they had done nothing to narrow the pool. President Rawlings is leaving July 1 and a replacement was needed. He said he saw an ad in the Daily Iowan as late as April 10. They need to get on with the program. He wanted to have a president on the campus by September 1 and they would not be able to do that by continuing to advertise. They need to start to limit the number of candidates being considered. He wants the committee to get going. It was spending too much time on the process and not enough time was directed toward achieving the final goal.

Professor Collins responded that the committee had received a number of expressions of interest.

Regent Tyrrell asked for the deadline for applications. Professor Collins responded that the process would remain open until the Board names the next president. They will accept applications on a continuing basis. He stressed that the committee members were not waiting on nominations and applications; they are engaged in narrowing the pool of candidates.

Regent Tyrrell asked when the committee would develop the short list of candidates for Board consideration. Professor Collins responded that he was not in a very good position to answer. The committee had not received the number of curriculum vitas they felt were needed. They are in the process of contacting people to ask them to send those in.

President Berenstein said this process started in December. Are they having trouble finding candidates or are they not satisfied with the quality of the curriculum vitas they have received to date?

Professor Collins said they had received a large number of names, many recognizable as top candidates.

President Berenstein asked whether Professor Collins felt there was a need for a deadline. Professor Collins responded that the committee was urging the individuals who have been identified to send a curriculum vitae. The committee is “pestering” them to do so and is engaged in that process right now. He said they were not ruling out the possibility that someone will express interest further down the line, and that the person will be attractive enough to the search committee that they will want to give the individual serious consideration. He stressed that they were not waiting on anybody.

President Berenstein said they should not have to pester individuals to apply for this job. If they do have to pester them, he was not sure that person would be on his short list.

Regent Tyrrell said it was going to take some time to bring the individuals to campus. Would they not be here for a couple of visits?

Professor Collins replied that the committee would first be conducting off-campus interviews; the candidates will be on campus a single time.

Regent Tyrrell asked if it was feasible to choose one or two of the very best candidates they have at this time and to start off-campus interviews with those individuals. If they start the process of interviewing they could be whittling down the list. He was concerned that the university was going to be leaderless for a significant period of time.

Professor Collins said that was a great concern to him, also. He then discussed the strategy being utilized by the committee. They are currently whittling down the list of names, trying to identify the people for whom they have the greatest interest. They are securing additional information about those individuals and developing a list of eventually 12 people with whom they will conduct off-campus interviews. The off-campus interviews will be conducted over the course of a day or two. Following the off-campus interviews, the committee will identify a much smaller list of people to invite for on-campus interviews. Presumably the on-campus interviews will take place within a couple of weeks after the off-campus interviews.

President Berenstein asked if the Regents could have the committee’s list of 12 by the May meeting. Professor Collins said that would be very difficult to do.

Regent Dorr asked if the search committee was going to keep the list open until they find candidates whom they perceive are qualified. If there are no criteria as to what is acceptable and not acceptable, they could keep this search open for quite some time.

Regent Collins referred to the search which resulted in the hiring of Hunter Rawlings, and asked how the time line of that search compared to this search. Professor Collins stated that he was quite comfortable with the time table with which the committee was proceeding. He said it was his recollection that the previous search process consumed approximately 13 months. The standard period of time for a university presidential search is something on the order of 8 months.

Regent Collins asked the same question with regard to the search that culminated in the hiring of Martin Jischke. President Jischke said it was his recollection that Gordon Eaton announced his resignation in July and Martin Jischke was offered the job on February 19. The first interview was in December. He stressed that the best people want to be protected.

They do not want to be exposed for a period of months. The process must be designed to come to closure quickly. They cannot appear to be coming to closure and then drag it out or their best candidates will leave. If they are any good, they have a good job right now.

President Berenstein said it was critical that they have some dialogue here today. It is imperative that they get this search and selection process moving. It is dragging on too long.

Regent Collins asked what date the committee had set as its own deadline. Professor Collins responded that the committee anticipated an appointment during the summer.

Regent Collins asked if Professor Collins had some idea about when the list of 12 would be developed, and then the list of four for Regent consideration. Professor Collins emphasized that there was some considerable concern on campus that the committee not be hasty. There were some concerns about conducting on-campus interviews during the summer session. He anticipated bringing forward the four finalists in July.

Regent Newlin asked for a date when the committee might have the list of 12 names. Professor Collins responded that he anticipated off-campus interviews to take place in June.

President Berenstein stated that the July Board of Regents meeting was scheduled for July 19. He said the Regents should be prepared to perform interviews immediately following the July 19 meeting.

Regent Newlin asked, from a scheduling standpoint, that the interviews take place on Wednesday if they are to take place in conjunction with the July 1995 Board of Regents meeting.

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday and Thursday, April 19 and 20, 1995.

President Berenstein stated that he had to leave the Board meeting mid-morning Thursday to attend a funeral. He asked that Regent Furgerson preside over the meeting after his departure.

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

Register of Personnel Changes for February 1995 which included promotion and tenure actions.

Approve the appointment of Cynthia Bartels as Director of University Internal Audit at an annual salary of \$75,000 effective May 1, 1995.

Vice President True expressed great pleasure about Cynthia Bartels joining the University of Iowa as Director of Internal Audit. He said university officials attracted her from an important job at the University of California.

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

REPORT TO THE BOARD OF TRUSTEES FOR UNIVERSITY OF IOWA HOSPITALS AND CLINICS. The Board Office recommended the Board receive the report on the University of Iowa Hospitals and Clinics.

President Berenstein stated the Board was meeting as the Board of Trustees for the University of Iowa Hospitals and Clinics. During the latter part of the meeting the Board would receive a report on behalf of the University of Iowa Hospitals and Clinics and the University of Iowa College of Medicine concerning their collaborative efforts.

Regent Dorr, on behalf of the remaining Board members, said he thought it was appropriate to acknowledge in front of the two new members that over the last 6 to 8 years there has been a tremendous amount of effort given and strides made in the governance the Regent institutions. It was to a large extent due to many of the efforts that were expended by Regents Berenstein, Furgerson and Hendricks, for which he thanked them. He said that what he has witnessed evolve and take place prior to his involvement on the Board of Regents and over the last four years as a Regent has been quite remarkable. He said the remaining Regents understand and appreciate the many mountains they have had to climb and some of the valleys they have been through. He hoped the press would also acknowledge at some point that there was 18 years of combined service which should not go unnoticed in light of

everything that had transpired. On behalf of himself and the Board, Regent Dorr thanked the three outgoing Regents for their efforts.

Regent Dorr thanked President Rawlings for the delightful dinner last evening. He wished President Rawlings the best as he proceeds on to Cornell University, and expressed the Regents' appreciation for everything he has accomplished at the University of Iowa.

President Berenstein said this was a bittersweet ending. No doubt the University of Iowa Hospitals and Clinics will continue to flourish with the great collaboration between Director Howell and Dean Kelch, whose union had been solidified in a short amount of time. He will miss everyone. He expressed appreciation for the opportunity to serve the people of Iowa and to make many friends.

Regent Furgerson thanked everyone and noted that meeting at the University of Iowa Hospitals and Clinics was special to her. Her father graduated from the University of Iowa's medical school. She has had a long history with the University of Iowa Hospitals and Clinics and has seen what the hospital has become. She acknowledged the College of Medicine, University of Iowa Hospitals and Clinics and all the other health professionals at the University of Iowa for the wonderful service they give to the people of Iowa. The fact that indigent patients are treated the same as paying patients speaks highly of them all.

President Rawlings thanked everyone for their comments. By way of introduction to the session and especially for the two new Regents, he stressed the importance of the academic health sciences centers. He said this was a very vulnerable time. The more senior members of the Board had been learning a great deal about the vulnerability. An entirely new team has been hired in the last 1-1/2 years to run the health sciences center. Vice President Manasse, Director Howell and Dean Kelch make up a three- person team that works very closely together to make the health sciences center successful. He said this team will need strong Board support particularly in the next few years. The University of Iowa is in a leading position as the health care market is in transition.

Vice President Manasse, on behalf of deans, faculty, staff and students thanked the three outgoing Regents for the support they have provided to the health sciences particularly in their role as Board of Trustees of University of Iowa Hospitals and Clinics. The Regents have been provided with lots of information and conjectures with regard to the implications of all of the trends in the health care industry. The university has benefited from their counsel and advice.

Vice President Manasse, on behalf of the University of Iowa health sciences center, welcomed Regents Smith and Kennedy. He said they would receive a formal extensive and intensive orientation soon.

Vice President Manasse reviewed the agenda for the presentation and discussion to take place that morning. He noted that this was the first time since he has been at the University of Iowa that the Board of Regents had met in the hospital.

Director Howell thanked Regents Berenstein, Furgerson and Hendricks for their interest and support. He said he joined in welcoming the two new Regents.

Director Howell began the presentation of the quarterly report of University of Iowa Hospitals and Clinics. He noted there was a new reporting format which summarized operational measures and statistical measures in response to some concerns for a comparative snapshot. He said the University of Iowa Hospitals and Clinics' operations were generally in line with projections for this fiscal year. It continues to be in line with the budget. They are

beginning to see a presence of managed care. While the average hospital in the U.S. is 55 percent occupied, the University of Iowa Hospitals and Clinics is 72 percent occupied.

Mr. Staley reviewed the quarterly operations report. He said total admissions have continued to increase. The number of acute admissions declined in 1994-95 by 3.9 percent. There continues to be a movement of patients from inpatient to ambulatory care. Oftentimes patients are not ready to leave the hospital after ambulatory procedures; therefore, there has been growth in housed outpatient admissions. He said the average length of patient stay continues to decline which was an indication that the University of Iowa Hospitals and Clinics is being more productive in caring for patients.

Regent Collins asked about the University of Iowa Hospitals and Clinics compared with national trends. Mr. Staley responded that some trends nationally are not just due to advances in medicine but movement to managed care.

Regent Newlin noted that the University of Iowa Hospitals and Clinics was a tertiary care hospital. Would its length of patient days decrease slower than for other non-tertiary facilities? Mr. Staley responded that its lengths of visits were decreasing slower than those for non-tertiary care facilities.

President Berenstein noted that in Sioux City with the advent of urgency centers and same-day surgery, the in-house hospital stay has suffered drastically, which is a national trend.

Mr. Staley stated that at the University of Iowa Hospitals and Clinics a number of procedures considered very complex are performed but in many of those cases the patients can be treated in an ambulatory setting. The University of Iowa Hospitals and Clinics has experienced a downward trend in admission of acute patients while seeing a growth in outpatient procedures. Overall it has seen a smaller relative decrease in total patient days of care. The number of acute admissions and length of stay in specialty care units has continued to increase. He said the case mix index for all patients, which is a measurement of clinical complexity, has remained fairly stable. The University of Iowa Hospitals and Clinics' case mix index is substantially higher than at other Iowa hospitals for Medicare patients.

Mr. Staley discussed the growth in University of Iowa Hospitals and Clinics clinic visits. There has been a 4.8 percent increase this fiscal year which he said was why they needed the replacement orthopaedic clinic facility which the Regents would tour later that morning. The new Eye Institute will be opening just after the first of next year. Plans are being developed for a new family care center which will meet the needs of primary care patients in family practice, internal medicine and pediatrics. As those plans are completed they will be brought to the Board for action later this year. Once those projects are developed, they will begin planning for replacement clinics for the clinics that are still housed in the old general hospital including otolaryngology, head and neck surgery, hospital dentistry, obstetrics and gynecology, and some of the internal medicine clinics.

Regent Dorr asked if there were any specific areas where growth in clinic visits had occurred and what was the source of those patients. Mr. Staley responded that the source of patients was the same as it had been. Some patients are being served on an ambulatory versus inpatient basis which would cause a growth in those patients. Another factor could be that programs have been developed at the University of Iowa Hospitals and Clinics that once might have been available only elsewhere; therefore, some patients are staying in Iowa who may have previously gone out of state for their care. Another factor could be that inpatient visits are much shorter and the patient may be required to come back for more outpatient visits.

Vice President Manasse said there was also an impact due to some of the outreach efforts. The University of Iowa Hospitals and Clinics receives a steady stream of patients from its clinic in Sigourney and with the family practice clinic in Lone Tree.

Regent Newlin asked if the University of Iowa Hospitals and Clinics has physicians in both those towns daily. Vice President Manasse responded affirmatively.

Mr. Staley reviewed the significant capital replacement projects that had been completed in the last few years. He then introduced Ken Yerington to provide the financial report.

Mr. Yerington reviewed statistical and financial performance measures for the consolidation of hospital units which he noted was prepared on an accrual basis.

Regent Newlin asked whether gift funds come from the Foundation or directly to the University of Iowa Hospitals and Clinics. Mr. Yerington responded that gift funds come through either channel. It depends on the donor designation.

Mr. Yerington said the University of Iowa Hospitals and Clinics experience a 3.4 percent revenue growth from last year and a 2.7 percent growth in expenses which permitted them to maintain an operating margin of 3.6 percent.

Regent Dorr asked about the historic trend on operating margins. Mr. Yerington responded that the margin has been down. Five years ago the margin was around 8 percent.

Regent Collins asked what Mr. Yerington would like the margin to be. Mr. Yerington said he would like it to be 8 percent.

Regent Tyrrell asked for an explanation of the tremendous decrease in interest earnings. Mr. Yerington responded that the decrease was the result of an accounting principle resulting from the Peat Marwick audit. The auditors indicated that as long as there is construction in progress at the same time bonds are outstanding, to the extent that the bonds outstanding could have financed the construction in progress the interest has to be capitalized, not treated as an expense. One of their adjustments was to take about \$1.2 million of \$2.4 million of interest expense, indicating it was an additional cost of building buildings. It will be depreciated over the life of the building. This year University of Iowa Hospitals and Clinics financial staff have tried to get the internal financial statements consistent with that principle.

Regent Tyrrell asked about the depreciation schedule. Mr. Yerington responded that the average was around 30 years.

Regent Newlin asked about the equipment depreciation. Mr. Yerington responded that the average was 8 years. They follow the American Hospital Association's recommended guidelines, for the most part.

President Berenstein asked about the number of births decreasing 12 percent. Mr. Yerington responded that in 1987 the obstetrics program was decentralized.

President Berenstein stated that one of the components of the Blue Ribbon Commission's recommendations was decentralization of the indigent obstetrics program. Patients do not have to come to the University of Iowa Hospitals and Clinics for delivery.

Regent Tyrrell asked if there was a critical level of births necessary for accreditation. Dean Kelch responded that with regard to obstetrics and gynecology, the answer was yes. He said the department has chosen to decrease its residency slots by one this year for that reason.

Mr. Yerington noted that University of Iowa Hospitals and Clinics was making its obstetrics prices as competitive as possible notwithstanding that the cost may not justify the prices. It was very important that they try to maximize the paying obstetrics patients who come to the University of Iowa Hospitals and Clinics .

Regent Newlin asked whether the gift income last year was included in the revenue line item. Mr. Yerington responded that it was not. The gift income amounted to around \$3.5 million, \$3 million of which was the Pappajohn gift made several years ago. Those funds were held by the foundation and moved over to the University of Iowa Hospitals and Clinics this year as the construction project neared completion.

Regent Dorr noted that one-half of the gain in operating margin appeared to be due to accounting changes and the interest issues. He asked if that meant that the 4 percent operating margin currently anticipated would come as a result of a true gain in operating efficiencies.

Mr. Yerington stated that Medicare, Medicaid, commercial insurance and self pay revenues are down. Medicare was due to a reduction in reimbursements. The decreases in Medicaid and commercial insurance were primarily due to conversion to managed care. If managed care paid the same as the other payors, the number would not have gone down. Those factors account for a relatively modest growth in revenues. He said collections were down due to reductions in Medicare and conversion to managed care.

Regent Collins asked, from an accounting point of view, why they bill the full amount when all they will be paid is "x" amount. Mr. Yerington responded that it was a Medicare requirement. Most other payors want to know what they would have paid. University of Iowa Hospitals and Clinics officials want to know for basically the same reason. The charges reflect all the individual services. With regard to how they will know if they are not collecting what they should, he said they will know when the operating margin gets below what is comfortable.

Mr. Yerington stated that Iowa's Medicaid program pays much better than other states' and better than Medicare.

Regent Tyrrell asked about negotiations with federal officials regarding educational costs reimbursed by Medicare. What has been their success?

Mr. Yerington responded that since he last spoke with the Regents regarding that subject, they have finally settled through 1991. Auditors are at the University of Iowa Hospitals and Clinics working on a final settlement for 1992. UIHC officials have been very satisfied with the results they have seen since they went to Kansas City and talked to the Federal officials. The provider reimbursement review board still has about \$7 million to \$7.5 million involved in appeal by the UIHC. The award could be overturned. He said it could be 7 to 8 years before the entire matter is resolved. In addition to the \$7.5 million in questioned reimbursement disallowance, the UIHC accrues another \$1-1/2 million in unreimbursed expenses every year.

Regent Tyrrell asked how the additional income from previous years that is recouped as a result of this process is handled in the current year. Mr. Yerington responded that Peat Marwick auditors made provisions for anticipated losses but not in the amount the appeals

are worth. UIHC officials are not assuming any realization of reimbursement. If they do receive reimbursement money, it will be treated as revenue in the year in which it is received.

Vice President Manasse stated that one of the areas in which the University of Iowa Hospitals and Clinics is growing is in the highly tertiary care-oriented areas, such as transplantation services. An intensity of staffing is required in those areas. In the future they will see an increase in staffing in some areas and in other areas staffing will go down.

Mr. Yerington discussed the quarterly financial report as of March 31, 1995, which he noted was the appropriated budgeted fund and was not done on an accrual basis. The report did not include auxiliary funds. Within those expenses, utilities income has seen a substantial increase due to a change in formula. The equipment line has experienced a significant decrease. He said they tend to be conservative in what they charge to the operating budget for equipment.

Regent Tyrrell noted that building repairs were down substantially. Mr. Yerington said they tend to not charge the operating budget for building repairs until they are very comfortable there is enough money for other needs. They then move the funds into there from capital funds.

Regent Tyrrell asked who makes that judgment. Mr. Yerington responded that University of Iowa Hospitals and Clinics officials make that judgment when there are enough operating revenues to cover the expenses. If it were accrual based they would not have the dichotomy.

Regent Tyrrell asked about the State Auditor's review of this matter. Vice President True responded that the formula was provided by the Department of Management and Legislative Fiscal Bureau. As much as they can do things differently in the future, they will do so.

Vice President Manasse asked Director Howell and Vice President True to discuss group purchasing agreements and where the UIHC is heading in that area.

Director Howell stated that University of Iowa Hospitals and Clinics' joint purchasing activities are primarily accomplished through a university hospital consortium. He said benefits include cooperative data bases, clinical evaluations of outcomes, technology assessments, quality initiatives, risk management, and research studies. There are 63 members of the consortium. Mr. Howell has had significant involvement with the consortium and the benefits it provides. A study commissioned by the consortium obtained a body of knowledge regarding market driven reform and combined purchasing power. He noted that most hospitals belong to more than one purchasing group. There are approximately 500 group purchasing organizations. He reviewed current purchasing agreements.

Vice President True provided the Regents with a perspective of joint purchasing on a university-wide basis and some of the positive things that are happening on campus as a result. The University of Iowa expends \$250 million/year in purchasing excluding construction; 44 percent to 50 percent of that is University of Iowa Hospitals and Clinics purchases. The university receives economy measures in addition to those for the university hospital. There is stockless inventory for just-in-time deliveries. He said departmental credit cards, for which the university is noted nationally, have reduced purchase orders. There are 10,000 fewer purchase orders issued every year. University officials have consolidated the accounts payable function. They perform group purchasing with other Regent universities. There is an aggressive effort to expedite and simplify the whole process.

Regent Newlin asked how much money was saved every year Regent universities-wide. Vice President True responded that in terms of cost of the departmental purchasing function, it would amount to hundreds of thousands of dollars and several millions of dollars in products purchased. He noted that an enormous amount of hospital supplies was required for the University of Iowa Hospitals and Clinics.

Director Howell observed that the programs just described require cooperative relationships. He was impressed with how well it works in Iowa's Regent system. He anticipated that the University of Iowa Hospitals and Clinics' participation was likely to increase. The number of contracts is growing. He said that over time the efforts in terms of overhead expenditures will be reduced through participation in group purchasing and that those indirect savings will grow over time.

Regent Newlin asked if a lot of work would be involved in quantifying the savings that has occurred across all three universities since they started group purchasing. Vice President True responded that university officials provide those numbers in the annual purchasing report. In the last 3 to 4 years the savings has dramatically increased.

Regent Newlin asked if university officials could provide an estimate of savings for the last four years. Director Houseworth responded that the Board Office had that information. She said the effort increased dramatically after the Regents' purchasing study was done in 1992.

Regent Newlin asked for the information starting in 1991.

Regent Dorr asked where they go from here relative to making it in the new world order. He sensed they were doing all right but in terms of strategy they need to focus to maintain the patient load. Have they reviewed cost structures, revenue streams, their ability to continue their current size and scope, etc.

Vice President Manasse responded that Regent Dorr's question was timely, critical and on target. They are going through strategic plan exercises now in the College of Medicine and the University of Iowa Hospitals and Clinics. University of Iowa officials will spend some time discussing those very issues the next time the Regents meet to receive the UIHC's quarterly report. The University of Iowa health sciences has a dramatic educational mission. University officials are very concerned as managed care becomes a greater force in the market that they maintain the base of patients critical to the enterprise.

Regent Dorr asked if there was a target date for when they will have the strategic plan completed. He said this was of a serious nature especially as a new president is brought on the campus. There should be some sort of concerted time table by which the Board will be informed where the UIHC is going.

Director Howell responded that in all likelihood, rather than have a time, there will be multiple times at which they need to share with the Board. With regard to the patient mix, 85 percent of the patients who are coming to UIHC are still under the traditional forms of coverage. The UIHC is starting to feel the influence of managed care. As they see the shift, they will have to be flexible in their strategies to deal with it.

Regent Newlin noted that based on the 9-month numbers presented this month, the UIHC is doing all right during this transitional period. Director Howell agreed, noting that they do not know what is ahead.

Vice President Manasse said they all need to recognize there is not going to be a specific time table when they will know exactly what is going to happen because the scenery changes daily. With regard to what is happening in other markets, they cannot report the sort of good information as was seen in the UIHC's data. Those markets are maturing very rapidly and have an immediate negative financial impact. UIHC is not seeing the drama in this market place yet but it will happen, as has been shared with the Board. No one can say when and how it will happen but they are studying it and bracing for it.

Regent Tyrrell said everyone needed to realize that the external factors over which university officials have no control will be the determinants. The suppositions today may not be valid in 2 months. Academic health centers all over the country are under severe stress. He felt that the University of Iowa's academic health science center would be about as well off as any, but no one knows.

Vice President Manasse stated that the Health Security Act was going to establish a fund for academic health sciences centers. In the course of the hearings on that part of the legislation, the academic health centers and colleges of medicine made a very strong pitch for protecting the 125 of them around the country. What became a contentious issue was how much money there should be in the pool and where the money should come from. He said that at the present time both the Association of Academic Health Sciences Centers and the Association of American Medical Colleges are discussing this issue with Congress. University of Iowa officials have discussed with the Iowa delegation that there are vulnerabilities particularly for the health sciences center related to Federal programs, reductions in programs and reimbursements. He hopes they can continue to feed that information and concern to the Iowa delegation and that they will be responsive.

President Rawlings stated that the University of Iowa central administration has been working with Mr. Howell, especially in the last week, on his plans for the future. High-level meetings have been held to ensure that the university administration is aware of just where the hospital plans to go and has an opportunity to critique the plans before UIHC officials take them to the Board. He assured the Regents that the strategic planning is not only on track but is a bit ahead of the curve in the state of Iowa. They have to be ahead of the curve because to fall behind the curve. Even though they cannot predict exactly what is going to happen in the next 6 months, they know that change is occurring and occurring rapidly. They want to help mold the change and not just be a victim of it. He assured the Regents that Dean Kelch and Director Howell are well aware of that. Those two individuals are reporting to the central administration on their plans. Once central administration has critiqued and discussed those plans, it will be time to come to the Board.

Regent Dorr asked if by July the Board would have a basic outline of some of the plans. Vice President Manasse responded affirmatively. With regard to information provided by President Rawlings concerning their discussion with central administration, he said they are also carefully reviewing expenses, staffing levels, etc. He said they would be prepared to discuss these matters at the next quarterly meeting.

At this point in the meeting there was a five-minute recess. When the Board reconvened the discussion moved to clinical enterprise items and a review of outreach network development activities.

Regent Collins asked if any of the University of Iowa's doctors work in other hospitals. Dean Kelch responded affirmatively, and said that activity generally takes place as part of their outreach efforts. In June he will provide the Regents with greater details. He said it was very important to emphasize that such activities are absolutely necessary fulfill the university's

commitment to providing learning experiences. The Regents will be provided with a report in greater detail on the changes in curriculum. Greater emphasis will be placed on management of health versus diseases. He stated that the University of Iowa College of Medicine persistently ranks in the top 5 in the nation in turning out graduates in primary care although they have not met the increasing need of lowans for generalists. Numerous outreach clinics have been developed.

Director Howell stated that in December UIHC officials shared information with the Regents regarding their efforts to establish structures which not only allow participation in the statewide integrated health delivery network but also to establish mechanisms to participate in multiple arrangements which are evolving very quickly in the area of managed care. University officials have been very busy during the last 4 months discussing with a number of communities the opportunities to work with the UIHC to deal with the changing environment. Many of the communities are having difficulty identifying issues that are of importance to them. It is equally difficult for them to develop specific approaches that will be effective for them.

Health sciences center officials have visited communities. Mr. Howell said they have met with hospitals, physician groups, and community and business leaders to share their thoughts for dealing with the changing health care environment. They found the audiences to be generally receptive and interested. University of Iowa officials emphasize their approach of developing mutually productive, non-exclusive relationships in each community which reflects the individual community's needs. He said this relationship may be tailored around the unique situation and requirements of the particular community, and may include the entire continuum of options from contracting to acquisition.

Director Howell stated that the University of Iowa Hospitals and Clinics and the College of Medicine wish to continue to provide care to all lowans. They wish to establish relationships that will permit patients to come to the UIHC. Much of the discussion and dialog focuses around the communities' interests. He stressed that this was still very much in the developmental stage as to how to deal with the emergence of managed care.

Dr. John Fieselmann, Director, Joint UIHC/College of Medicine Office for Clinical Outreach Services and Contracting for Patient Care, shared with the Regents some of the specific initiatives related to outreach activities. He discussed several of the most-recently opened clinics and the requests from communities for assistance. Sixteen (16) new outreach clinics have been added in the last year bringing the total to 56.

ACTION: Regent Furgerson stated the Board received the report, by general consent.

At the conclusion of the oral presentation, the Regents toured the new Department of Orthopaedic Surgery Clinic, Radiology Suite, Faculty Office Suites and Multidisciplinary Rehabilitation Center.

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

PERMISSION TO PROCEED WITH PROJECT PLANNING

Campus Fiber Optic Network

University officials requested permission to proceed with project planning for the installation of a campus fiber optic network.

The University of Iowa Office of Information Technology, Hospitals & Clinics, Business Office and the Office of Planning and Administrative Services have developed an improvement plan to meet the university's voice, video and data communications needs for instruction, research, administration and outreach services. The existing campus network infrastructure will be supplemented/replaced with a modern, reliable fiber optic network, designed with flexibility to accommodate new technologies and with sufficient capacity to meet the university's communication needs well into the future. The program also includes installing improved telecommunication switching equipment and constructing intra-UIHC communication fiber optic cabling infrastructure.

The activities of the project are organized into the following categories with the following estimated costs:

Installation of approximately 46,000 linear feet of underground <u>multi-cell concrete duct work</u> to house the fiber backbone of the system	<u>\$7,000,000</u>
Preparation of <u>service entrance and entrance facilities</u> in approximately 77 buildings (construction of the pathways from the backbone duct system into the entrance facility included and construction of the entrance facility)	<u>\$1,000,000</u>
Purchase and installation of the <u>backbone fiber</u> in the duct bank	<u>\$2,000,000</u>
Installation of <u>fiber and equipment</u> from the backbone into and within the entrance facility and to the building's horizontal distribution wiring closets.	<u>\$3,000,000</u>
<u>University Hospitals and Clinics telecommunication network infrastructure and equipment improvements</u> and extensions, voice mail acquisition and expansion, and system replacements.	<u>\$10,000,000</u>
<u>Equipment renewal and replacement</u> and ongoing costs for <u>improvement and replacement of system components</u> including Hospitals and Clinics	<u>\$4,300,000</u>

TOTAL

\$27,300,000

These components comprise the university's plan. As the project proceeds and costs are better known, the amount of backbone and number of buildings connected and internally wired will be adjusted according to priorities to fit the available funds. To provide this flexibility, all work in each category described above will not be completed before proceeding to the next category of work.

The estimated cost for the improvement program for fiscal years 1994 through 1997 is \$27.3 million. Funding is to be provided through a combination of sources. The primary source would be from the sale of \$15 million in Telecommunications Facilities Revenue Bonds. Other sources include Telecommunication Improvement and Replacement Funds, Office of Information Technology Equipment and Improvement Funds, University Hospitals Building Usage Funds and Income from Treasurer's Temporary Investments.

APPROVAL OF PROGRAM STATEMENTS AND DESIGN DOCUMENTS

Schaeffer Hall Remodeling and Renewal

The capital request for the project, for which the sale of Academic Building Revenue Bonds was authorized during the 1994 legislative session, was intended to provide for the complete interior renovation of the building, including new systems, improved fire safety and access for the mobility impaired, new electrical and chilled water utility services, and selected remodeling. Preliminary planning required an extensive investigation of what programs would fit in the building after providing for the basic project components necessary to modernize the building. Accordingly, programming was directed at identifying the needs of the intended occupants and establishing a fit of those programs in the building as it will be configured when the project is completed. Estimating the probable cost to accomplish these objectives has also been addressed. University officials report that planning has progressed according to expectations.

The university's present plan, as explained in greater detail in the Program Statement, calls for the occupants of the building to include the Liberal Arts departments of Political Science, History, Statistics and Classics. The collegiate Dean's Offices and the Liberal Arts Advisory Office would be located in the building. Twenty-five classrooms would be included as well. The remodeled building will be centrally air-conditioned and include up-to-date telecommunications and data systems, new wiring and lighting; all or most surfaces will be renewed.

Because utility upgrades throughout the building will be included in the project, it will be cost effective to remodel the building to provide better organization of activities and to provide uniform and adequate faculty offices to replace the present inventory of some excessively large offices and a large number of offices which are too small. This plan will permit a very effective utilization of the space in the building and will improve its functioning within the limits imposed by the basic configuration of the outer walls.

Regent Hendricks said she was delighted that Schaeffer Hall had finally risen to the top of the university's list of capital projects and was getting attention.

President Berenstein referred to the tour that the three Regents appointed in 1989 had been given during their first visit to the University of Iowa as Regents, and said that he too was happy about Schaeffer Hall being remodeled.

PROJECT DESCRIPTIONS AND BUDGETS

University Hospitals and Clinics--Boyd Tower Clinical
Microbiology Unit Development \$2,315,930

Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 1,852,740
Architectural/Engineering Support	185,275
Planning and Supervision	92,640
Contingency	<u>185,275</u>
 TOTAL	 <u>\$ 2,315,930</u>

The project will permit the consolidation and expansion of three clinical laboratories operated by the Department of Pathology and will result in the creation of an integrated Microbiology Unit. Two of the three laboratories, Special Microbiology and Virology, are presently located in spatially and environmentally deficient and inconveniently situated facilities in the Medical Research Center.

The College of American Pathologists' most recent accreditation survey cited these two laboratories for lack of adequate storage and work space and inadequate heating, ventilating and air conditioning (HVAC) systems. Completion of this project will make available approximately 2,200 gross square feet in the Medical Research Center which the College of Medicine may reassign to other functions not requiring the type of HVAC system necessary for clinical laboratory testing. The third laboratory to be relocated, the Clinical Microbiology Laboratory, is presently located adjacent to other Department of Pathology clinical laboratory facilities on the fifth floor of Carver Pavilion.

The project area comprises approximately 12,200 gross square feet, all of the sixth floor of Boyd Tower. The total net assignable space to be constructed will be approximately 9,800 square feet, producing a net to building gross square footage ratio of 80 percent. The construction cost per square foot is \$152. This cost is comparable to construction costs for similar University Hospitals projects.

Campus Fiber Optic Network--Project 1 \$1,358,000

Source of Funds: Telecommunication Revenue Bonds, Office of Information Technology, University Hospitals Building Usage Funds, or Income from Treasurer's Temporary Investments

Preliminary Budget

Construction	\$ 990,000
Design, Inspection and Administration Consultants	
Study	80,392
Design and Construction Administration	182,376
Architectural/Engineering Services	5,232
Contingency	<u>100,000</u>
 TOTAL	 <u>\$ 1,358,000</u>

Project 1 will consist of two primary elements. The first element will provide underground ductbanks to connect the Chemistry Building and the IMU footbridge, the Bowen Science Building with the International Center, and to further interconnect the Nursing Building, the Eckstein Medical Research Building, the College of Medicine Administration Building, the Hardin Library for Health Sciences, the Medical Research Center, the Medical Laboratories, the Steindler Building, Westlawn and the University Hospitals and Clinics. These ductbanks will complete connections to the major hubs.

The second element will construct building entrances (central distribution rooms and related duct equipment rooms) in 22 buildings, including Chemistry Building, Jessup Hall, Calvin Hall, Engineering Building, Trowbridge Hall, MacLean Hall, Gilmore Hall, Bowen Science Building, International Center, Nursing Building, Eckstein Medical Research Building, College of Medicine Administration Building, Hardin Library for Health Sciences, Medical Research Center, Medical Laboratories, Steindler Building, Westlawn, University Hospitals and Clinics, Library, English-Philosophy Building, Rienow, and Becker Communication Studies Building.

Madison Street Utility Tunnel Rehabilitation \$661,000
 Source of Funds: Utility Enterprise Improvement and Replacement Fund

Preliminary Budget

Construction	\$ 557,000
Design, Inspection and Administration	
Consultants	38,000
Architectural/Engineering Services	10,000
Contingency	<u>56,000</u>
TOTAL	<u>\$ 661,000</u>

University officials requested approval of a project description and budget to reconstruct a 300-foot section of steam tunnel located beneath Madison Street between Burlington and College Streets. The tunnel was constructed of cast-in-place concrete and has deteriorated to the point that the ceiling is falling, presenting a safety hazard to people in the tunnel. The university's physical plant safety engineer has cited this tunnel as a potential source of injury and the condition of the concrete tunnel is making utility repair and maintenance increasingly difficult.

Jefferson Building--Correct Fire Safety Deficiencies

\$255,275

Source of Funds: Building Renewal Funds

Preliminary Budget

Construction	\$ 202,000
Design, Inspection and Administration	
Architectural/Engineering Services	17,850
Consultants	15,225
Contingencies	<u>20,200</u>
 TOTAL	 <u>\$ 255,275</u>

University officials requested approval of a project description and budget to correct outstanding fire safety deficiencies in the Jefferson Building. These corrections are consistent with inspections of the State Fire Marshal and the application of the Fire Safety Evaluation System.

The project will include the following: fireproofing of exposed structural steel in the basement and a portion of the attic near the elevator penthouse; upgrading utility shaft access doors at each level to fire rated construction; and installing an automatic sprinkler system throughout the university-owned space in the building (floors two through eight). The University of Iowa Facilities Corporation will provide a sprinkler system to serve the lower two floors of the building under a separate project.

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University Hospitals and Clinics--Replace General
Hospital and Boyd Tower Roofs

Original Budget \$592,000

Revised Budget \$675,050

Source of Funds: University Hospital Building Usage Funds

Project Budget

	Original Budget <u>April 1994</u>	Revised Budget <u>April 1995</u>
Construction	\$ 495,000	\$ 600,850
Architectural/Engineering Support	24,000	21,000
Planning and Supervision	24,000	15,500
Contingency	<u>49,000</u>	<u>37,700</u>
TOTAL	<u>\$ 592,000</u>	<u>\$ 675,050</u>

University officials requested approval of a revised project budget in the amount of \$675,050, an increase of \$83,050, to allow award of the construction contract to replace approximately 40,000 square feet of roofing material at the General Hospital and Boyd Tower.

Two bids were received for this project on December 13, 1994. The low bid, in the amount of \$345,600, exceeded the engineering estimate by approximately 1.05 percent. The low base bid and three alternates were 20 percent less than the base bid and alternates of the next bidder.

The project engineer reviewed the contractor estimate and indicated the low bid contained very good prices. The project engineer also determined that the project could not be redesigned to achieve a significant cost reduction. The roof project, if reduced in scope, would result in continual water leakage in numerous areas.

Factors that affected the increased bid figures since the original budget approval include inflation (estimated at \$44,000), removal of asbestos roof materials (estimated at \$50,000), and remote material staging locations.

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University officials reported 14 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.

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ARCHITECT/ENGINEER AGREEMENTS

<u>Campus Fiber Optic Network</u> MIS Labs, Watertown, WI	<u>\$350,000</u>
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University officials requested approval to enter into an agreement with MIS Labs to provide electronic engineering services for the project.

A national search was undertaken to select the electronics engineering firm. After telephonic interviews with a number of firms, three firms were selected for on-campus interviews. The three firms were: Sako of Chicago, Illinois; Henkels and McCoy, Inc., of Blue Bell, Pennsylvania; and MIS Labs of Watertown, Wisconsin. University officials recommended MIS Labs based on qualifications, experience and ability to respond quickly.

Services required of the consultant at this time and provided for in this agreement include field investigation and testing, preliminary design, value engineering and a final cost estimate for backbone fiber installation and internal building fiber and equipment installation.

This agreement provides for a fee of \$350,000, including reimbursables. Future agreements with this consultant will be negotiated for the services required in connection with each specific project as these projects are developed. These services will include design development, construction drawings, equipment design and specification and construction observation and supervision of the activation of network elements.

Campus Fiber Optic Network--Project 1 \$262,768
Shive-Hattery Engineers and Architects, Inc., Iowa City, Iowa

University officials requested approval to enter into an agreement with Shive-Hattery Engineers and Architects to provide architectural services for the project. Work will include studies, site survey, design and construction observation. The agreement provides for a fee of \$262,768, including reimbursables.

Madison Street Utility Tunnel Rehabilitation \$38,000
NNW, Inc., Iowa City, Iowa

University officials requested approval to enter into an agreement with NNW, Inc., to provide design services for the project. Design work was originally completed by this firm in 1991. The current fee represents the cost of the revisions necessary to bring the design up to date. The agreement provides for a fee of \$38,000, including reimbursables.

Amendments:

Hancher Auditorium--Renovation Amendment #1 \$16,800
Neumann Monson, Iowa City, Iowa

The amendment will provide additional construction administration services for the auditorium seating and the auditorium and lobby carpeting. Amendment No. 1 will not result in an increase in the total project budget.

West Campus Steam Distribution Improvements and Extensions \$6,523.00
Shive-Hattery Engineers and Architects, Iowa City, Iowa

University Hospitals and Clinics--South Pavilion Telecommunications \$6,135.00
Switchroom Development
Hansen Lind Meyer, Iowa City, Iowa

Dental Science Building--Reconstruct Visitor Parking Lot \$948.41
Shoemaker and Haaland, Coralville, Iowa

CONSTRUCTION CONTRACTS

University Hospitals and Clinics--Replace General Hospital and \$600,850
Boyd Tower Roofs
Award to: Maintenance Associates Corporation, Marion, Iowa

University officials requested award of the construction contract to the low bidder, Maintenance Associates Corporation, as follows:

Base Bid of \$345,600, plus Alternate #1 of \$103,000, plus Alternate #2 of \$76,750, plus Alternate #3 of \$75,500 =

TOTAL AWARD OF: \$600,850

University Hospitals and Clinics--Material Distribution Support Facilities \$687,940
Development

Award to: Aanestad Construction, Iowa City, Iowa
(4 bids received)

Quadrangle--Renovate Restrooms, Phase 2 \$534,890

Award to: Unzeitig Construction Company, Cedar Rapids, Iowa
(4 bids received)

Bowen Science Building--Repair Exterior \$462,525

Award to: Specialty Construction Services, Inc., Madrid, Iowa
(3 bids received)

Lower Finkbine--Resurface Track \$307,900

Award to: Martin Surfacing, Inc., Hunt Valley, MD
(2 bids received)

West Campus Chilled Water Loop--Final Phase \$301,400

Award to: Modern Piping, Inc., Cedar Rapids, Iowa
(3 bids received)

University Hospitals and Clinics--Renovation of Cardiac Angiography and Electrophysiology Laboratories

Reject Bids

Five bids were received for this project on February 22, 1995. All bids exceeded the engineering estimate by at least 43 percent. On March 22, 1995, the Executive Director authorized the university to reject all bids and reevaluate and re-bid the project at a future date.

CHANGE ORDERS TO CONSTRUCTION CONTRACTS

Pharmacy Building--Pharmaceutical Services Remodeling Deduct \$218,589
McComas-Lacina Construction Company, Iowa City, Iowa

University officials requested approval of a deduct change order to the agreement with McComas-Lacina Construction Company for the Pharmacy Building--Pharmaceutical Services Remodeling project. In October 1994 the university received approval of a revised project budget for this project in the amount of \$1,818,700. The development of that budget included a negotiated deduct change order with the general contractor, McComas-Lacina Construction Company.

Items included in the deduct change order were the deletion of the vacuum system and changes to process piping, electrical, and doors and hardware, which total \$218,589.

University Hospitals and Clinics--Development of an
Eye Institute--Completion

Deduct \$104,096

McComas-Lacina Construction Company, Iowa City, Iowa

University officials requested approval of a deduct change order to the agreement with McComas-Lacina Construction Company for the Eye Institute--Completion project. The change order included the deletion of \$104,096 in mechanical, electrical and architectural equipment. An extensive engineering review of the utility interface between the mechanical/electrical equipment systems for the Eye Institute project and the adjoining University of Iowa utility projects revealed that a portion of the infrastructure systems was redundant. These utility infrastructure systems were value engineered to create a cost effective reconfiguration.

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

University Hospitals and Clinics--Completion of Main Entrance Lobby Shell

McComas-Lacina Construction Company, Iowa City, Iowa

Engineering Building--Remodel Administrative Suite and Student Services Areas

Denis Della Vedova, Inc., Albia, Iowa

West Campus Parking Ramp Expansion--Lot 41 Modifications

McComas-Lacina Construction Company, Iowa City, Iowa

University Hospitals and Clinics--Corridor Completion and Air Handling Unit Installation

Mid-America Construction Company of Iowa, Iowa City, Iowa

University Hospitals and Clinics--Development of a Surgical Intensive Care Unit in the John Pappajohn Pavilion

Mid-America Construction Company of Iowa, Iowa City, Iowa

FINAL REPORTS

Dental Science Building--Galagan Auditorium Renovation--
Phases I, II and III

\$281,609.70

MOTION:

Regent Newlin moved to approve the university's capital register, as presented. Regent Furgerson seconded the motion. MOTION CARRIED UNANIMOUSLY.

APPROVAL OF LEASES AND EASEMENTS. The Board Office recommended the Board approve the leases and easements, as presented.

University officials requested approval to renew its lease as lessee with Towncrest Investment Associates, Inc., for the university's use of 1,500 square feet of office space located at 111 East Washington Street, Iowa City, at the rate of \$1,114 per month (\$8.91 per square foot, \$13,368 per year), for a 25-month period.

University officials requested approval of an amendment to its lease as lessor with Heartland Bio Technologies, which will provide new language regarding the assignment of the lease to the lender of a Small Business Administration loan in the event of default by Heartland Bio Technologies;

University officials requested approval of an easement agreement with the City of Coralville for the City's construction of a pedestrian/bike trail through the Oakdale Research Campus and the Oakdale Research Park at an estimated cost to the university of \$18,000.

MOTION: Regent Newlin moved to approve the leases and easement, as presented. Regent Tyrrell 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 noted, for the benefit of the new Regents, that all leases and agreements handled on behalf of the Regents are reviewed by the Attorney General's Office to ensure the inclusion of appropriate indemnification language, etc. Standard language is included in every lease, easement and agreement.

SALE OF \$15,335,000 CENTER FOR UNIVERSITY ADVANCEMENT REVENUE BONDS, SERIES S.U.I. The Board Office recommended that the Board adopt the following resolutions:

- (1) A Resolution providing for the sale and award of \$15,335,000 Center for University Advancement Revenue Bonds, Series S.U.I. 1995, and approving and authorizing the agreement of such sale and award.
- (2) A Resolution authorizing and providing for the issuance and securing the payment of \$15,335,000 Center for University Advancement Revenue Bonds, Series S.U.I. 1995, for the purpose of defraying costs of constructing, improving and equipping a Center for University Advancement located on the campus of the State University of Iowa, funding a reserve fund and paying the costs of issuance.
- (3) A Resolution authorizing the execution of a Lease of the Center for University Advancement to be located on the campus of the State University of Iowa by and between the State Board of Regents and the State University of Iowa Foundation.

The Center for University Advancement (CUA), approximately 112,000 gross square feet, will provide office space for the University of Iowa Foundation, the University of Iowa Alumni Association and the Alumni Services and Records Department of the University; and serve as a welcoming and meeting center for strategic institutional advancement purposes.

Total cost of the project was estimated to be \$17.8 million excluding furnishings, with \$12 million to be financed from the proceeds from the bond sale and the balance to come from foundation gift moneys the foundation has or will have on hand by time of project completion.

Construction of the CUA is expected to be completed by June 30, 1997.

The facility will be owned by the university and leased to the foundation; the Board approved the lease and occupancy agreement at its March 1995 meeting.

The bonds will be payable solely from rental payments for the lease of the space to the foundation by the university. The foundation expects the source of the lease payments to be receipts of gifts for the project to be received over a number of years. Secondary sources of payment will be unrestricted net revenues and unrestricted fund balances of the foundation.

The bonds also will be secured by a debt service reserve equal to the lesser of 10 percent of the issue amount or one year's debt service.

The amount of the bond sale (\$15,335,000) includes \$12 million for constructing, improving and equipping the CUA and allocations for the debt service reserve and issuance costs. The repayment period will be 15 years.

The receipt and opening of the bids was scheduled for 11:00 a.m., and the award was scheduled for 2:00 p.m. on Wednesday, April 19, 1995.

MOTION: The motion for this item can be found under the Report of the Banking Committee, page 839 of these Minutes.

REIMBURSEMENT RESOLUTION FOR SUI TELECOMMUNICATION BONDS. The Board Office recommended that the Board adopt a Resolution declaring an official intent to issue debt to reimburse the University of Iowa for certain original expenditures paid in connection with the construction, and equipping of improvements to the telecommunications utility of the university.

It was recommended that the Board adopt a Resolution declaring an official intent to issue debt to reimburse the University of Iowa for certain original expenditures paid in connection with the construction, and equipping of improvements to the telecommunications utility of the university.

The Banking Committee received a report on the proposed University of Iowa telecommunications bond sale at its February 1995 meeting.

The University of Iowa Office of Information Technology, Hospitals & Clinics and Business Office have developed an improvement plan to meet the University's voice, video and data communications needs for instruction, research, administration and outreach services.

The estimated cost for the FY 1994 to FY 1997 improvement program was \$27.3 million, including infrastructure and switching at UIHC. Funding is to be provided through a combination of sources. The primary source is \$13,275,000 in proceeds from a proposed Telecommunications Facilities Revenue bond issue.

The size of the bond issue including project costs, issuance costs and debt service reserve was estimated at \$15 million.

A fall 1995 sale of the Telecommunications Facilities Revenue bonds is planned. The debt service on the bonds would be met through charges to users of the telecommunications facilities. The financing would enable the university to accelerate the completion of a modern campus network system in 1996 and 1997; the estimated date of completion is December, 1997.

Other fund sources available for the Telecommunications Capital program were Telecommunications Improvement and Replacement Funds, Office of Information

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, April 19, 1995.

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

Register of Personnel Changes for March 1995 which included promotion and tenure actions as well as seven early retirements and two phased retirements.

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

APPROVAL OF THE STRATEGIC PLAN FOR IOWA STATE UNIVERSITY. The Board Office recommended the Board give preliminary approval of the strategic plan.

Mr. Richey recommended that the Board give preliminary approval to the strategic plan for Iowa State University to allow the new Board of Regent members an opportunity to vote on its adoption. Mr. Richey emphasized that he had no objections to the plan but wanted all the new Board members to actually approve goals and objectives that will be in operation during their term.

President Jischke stated that Iowa State University officials had worked for 18 months on the strategic plan presented to the Regents at this meeting. The plan had widespread support. He then discussed the process used in developing the plan and how it differs from the first plan which has been in use since 1990. Thirty-four (34) different position papers were bound into a single volume and distributed throughout campus. Open forums were subsequently held. Last May he appointed a strategic plan committee to draft a new plan. He thanked Provost Kozak for his efforts and noted that the provost was supported by Jean Adams. The strategic plan committee consisted of 27 faculty, staff, students, administrators and alumni. On October 1 the first draft was released. President Jischke visited with external constituents and two more open forums were held. On April 3 the final version of the plan was submitted to the Board. If the plan is approved today, university officials are prepared to go to print with the document so they can share with everyone what they are trying to do at Iowa State University.

President Jischke discussed the substance of the plan revision and the refinement of the first plan. Most importantly, the goal is still for Iowa State University to be the best land grant university in the country. The goals were revised and renumbered. One goal is to invest an additional \$10 million in the university's base budget in undergraduate education. It is their goal over the next 5 years to reallocate \$5 million from within the existing budget and to try to match that with an additional \$5 million in State, private and Federal funding. All of the colleges are now at work finalizing their strategic plans which can be completed this semester

before commencement. If that time frame is not adhered to, they would lose the summer. He asked that the Regents approve the plan today so it can be used to guide the development of the collegiate plans. He believes the plan is a good one and that the process and result had been excellent.

MOTION:

Regent Hendricks moved approval of the strategic plan as presented by Iowa State University officials. Regent Johnson-Matthews seconded the motion.

Regent Dorr expressed concerns regarding the plan and noted that his major concern was goal #6, to strengthen initiatives to stimulate economic development, with a special emphasis on environmental stewardship. He said the university should not be developing public policy on environmental stewardship although he was not discounting what the university brings to that whole arena. There was an indication that enrollment should stabilize at approximately 25,000 students. He assumed there was some basis for that. University officials also indicated that sponsored funding would increase by about 10 percent/year. On what basis was that projection made? Finally, university officials indicated the changes in the strategic plan would be reflected in the proposed budgets for fiscal years 1996, 1997 and 1998. Are there major aspects of the budget that Iowa State University officials perceive changing dramatically?

President Jischke responded that the sixth goal related to the role the university plays in stimulating economic development and environmental stewardship. He said it did not mean the university would set public policy but rather recognized that the university is a player in economic development and specifically with regard to environmental issues. He referred specifically to the role Dean Topel played in the Governor's Task Force dealing with environmental policies regarding agriculture. At no point did the university propose policies but rather shared with the community the university's information. The decision as to policy rests with the legislature.

With regard to Regent Dorr's question regarding enrollment, President Jischke said the current enrollment is at about 25,000 students. The demographics of Iowa indicate enrollments will be flat to slightly higher. There will be a more competitive environment for recruiting students, particularly gifted students. As an example, he referred to the Christina Hixson Opportunity Awards scholarship program for which the university had expressions of interest from 700 applicants for the 100 awards. Many of those students are students who would not have considered Iowa State University otherwise.

With regard to Regent Dorr's question about sponsored funding, President Jischke said that was the most uncertain assumption in the whole plan. The sponsored funding budget at Iowa State University has been growing for the last 7 to 8 years somewhere between 15 to 20 percent per year. When that is compounded, the growth has tripled in the last 8 years. With regard to whether or not that pace could be sustained, he said that if they use the old models of how it has been done, probably not. But there are some opportunities internationally that play to the strengths of Iowa State University in agricultural programs, veterinary medicine, and in science and engineering that are tremendously exciting. If university officials are able to capitalize on those opportunities, it will be very easy to meet the goal. On the other hand, if there is a major shift in the level of Federal funding for basic and applied research of the sort done at Iowa State University, and if other players come into the research game, it could turn out to be tough. President Jischke said sponsored funding was an area where the university has the capacity to move with the level of funding.

President Jischke stated that base funding of the university was projected to be flat after being discounted for inflation. Any improvements in the financial projections will come from reallocation, improving efficiency and reorganizing. Sponsored funding, private funding and targeted initiatives will be quite targeted and dedicated to a large part by the sponsors of the funding.

President Berenstein noted that he had spoken with newly-appointed Regents Smith and Kennedy concerning Iowa State University's strategic plan. He asked President Jischke about his request that action be taken today to approve the strategic plan.

President Jischke responded that this plan will come back to the Board every year for updating. It is always the prerogative of the Board to revise or redirect the plan. At this time university officials were indicating this was their game plan for the next 5 years.

VOTE ON THE MOTION: Motion carried unanimously.

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

APPROVAL OF PROGRAM STATEMENTS AND DESIGN DOCUMENTS

Intensive Livestock Research and Instruction Facilities

In February 1995 the university presented for Board approval the schematic design for the Kildee/Meats Lab Addition and Livestock Infectious Disease Isolation Facility components of the Intensive Livestock Research and Instruction Facilities project. The university received approval of the design for the Kildee/Meats Lab Addition and was directed to investigate alternative exterior expressions for the Livestock Infectious Disease Isolation Facility. The university completed its investigation of alternatives for the exterior design and presented the revised schematic design for Board approval at this meeting.

Vice President Madden introduced Dave Delaney of RDG Bussard Dikis, project architect, to present the schematic exterior design.

Mr. Delaney stated that the basic goals of the project with regard to laboratory animal care, future flexibility of the facility, effective handling of biological waste, safety for occupants and isolation requirements were unchanged. He reviewed the architectural goals of the project, the materials to be used, and the existing veterinary medicine complex. The facility will consist of cast-in-place concrete and smooth white metal panels which will reflect many of the existing buildings.

Mr. Delaney reviewed the building program compared to what was presented last time. Statistically the area has grown 200 square feet which is less than 2 percent. The net-to-gross efficiency has gone from 72.8 percent to 71.8 percent. The total cost has only increased \$120,000 which was less than 1 percent. The total cost now was \$4,848,000. The cost per square foot increased \$2/square foot which reflected the materials being used.

Regent Tyrrell asked for the status of the funding. President Jischke stated that funding from the legislature for planning purposes in the amount of \$1.9 million has been provided. The university has not received construction funding which was the #1 priority on the university's capital list for State funding.

President Berenstein asked what university officials would do until they receive additional funding for the project. President Jischke said it was only a plan.

MOTION: Regent Newlin moved to approve the program statement and design documents for the Intensive Livestock Research and Instruction Facilities. Regent Furgerson seconded the motion. MOTION CARRIED UNANIMOUSLY.

Regent Dorr stated that the new design looked very nice.

PROJECT DESCRIPTIONS AND BUDGETS

Intensive Livestock Research and Instruction Facilities Original Budget \$27,540,000
Revised Budget \$27,524,500

Project Budget

	Original Budget <u>Nov. 1994</u>	Revised Budget <u>April 1995</u>
Contracts	\$ 21,186,484	\$ 21,170,984
Design Services	2,799,351	2,799,351
Construction Administration	330,000	330,000
University Services	20,000	20,000
Miscellaneous	50,000	50,000
Landscaping	100,000	100,000
Utilities Extensions	300,000	300,000
Movable Equipment	265,000	265,000
Art Work	137,700	137,700
Building Automation	400,000	400,000
Telecommunications	200,000	200,000
Project Reserve	1,613,765	1,751,465
Bond Issuance	<u>137,700</u>	<u>0</u>
 TOTAL	 <u>\$ 27,540,000</u>	 <u>\$ 27,524,500</u>

	Original Budget <u>Nov. 1994</u>	Revised Budget <u>April 1995</u>
Source of Funds:		
Academic Building Revenue Bonds	\$ 2,000,000	\$ 1,984,500
Future Bonds or State Appropriations	<u>25,540,000</u>	<u>25,540,000</u>
TOTAL	<u>\$ 27,540,000</u>	<u>\$ 27,524,500</u>

University officials requested approval of a revised project budget in the amount of \$27,524,500, a decrease of \$15,500, to reflect the actual proceeds from the sale of Academic Building Revenue Bonds applied to the project.

Animal Science Teaching Farm--Arena and Classroom

Source of Funds: Academic Building Revenue Bonds

Original Budget \$950,000
Revised Budget \$926,750

Project Budget

	Original Budget <u>July 1994</u>	Revised Budget <u>April 1995</u>
Contracts	\$ 770,000	\$ 746,750
Design Services	77,000	74,675
Construction Administration	15,400	16,430
Miscellaneous	1,000	1,000
Fixed Equipment	4,800	4,800
Movable Equipment	4,800	4,800
Project Reserve	<u>77,000</u>	<u>78,295</u>
TOTAL	<u>\$ 950,000</u>	<u>\$ 926,750</u>

University officials requested approval of a revised project budget in the amount of \$926,750, a decrease of \$23,250, to reflect the actual proceeds from the sale of Academic Building Revenue Bonds applied to this project.

Friley Hall--Phase 5 Masonry Improvement
 Source of Funds: Dormitory System Surplus Funds

July 1994 Budget \$277,000
 Revised Budget \$277,958

Project Budget

	Budget Approved <u>July 1994</u>	Revised Budget <u>April 1995</u>
Contracts	\$ 230,800	\$ 253,084
Design Services	22,000	21,657
Construction Administration	2,550	2,754
Miscellaneous	500	463
Project Reserve	<u>21,150</u>	<u>0</u>
TOTAL	<u>\$ 277,000</u>	<u>\$ 277,958</u>

University officials requested approval of a revised project budget in the amount of \$277,958, an increase of \$958, to reflect the receipt of the sales tax refund which was less than anticipated. The Dormitory System Surplus Fund source was increased by this amount.

Iowa State Center Soffit Restoration
 Source of Funds: General University Funds

Original Budget \$400,000
 Revised Budget \$633,000

Project Budget

	Original Budget <u>March 1995</u>	Revised Budget <u>April 1995</u>
Contracts	\$ 300,000	\$ 469,000
Design Services	45,000	99,935
Construction Administration	9,450	15,689
University Services	1,000	1,000
Miscellaneous	1,000	2,000
Project Reserve	<u>43,550</u>	<u>45,376</u>
TOTAL	<u>\$ 400,000</u>	<u>\$ 633,000</u>

University officials requested approval of a revised project budget in the amount of \$633,000, an increase of \$233,000, to reflect an increase in the project scope to include soffit restoration for three other Iowa State Center buildings.

In March 1995 the university received approval of a project description and budget in the amount of \$400,000 to restore the soffit on the C. Y. Stephens Auditorium. Since all of the Iowa State Center facilities are 25 years old and in need of renewal, the university had planned similar work for Scheman Continuing Education Building, Fisher Theatre, and the Information Booth as funding became available. However, the university has reconsidered this strategy in light of several other refurbishment projects, funded primarily by gift funds, which are currently underway at the Iowa State Center.

The university has now decided to expand the soffit restoration project to include all four buildings.

Laboratory of Mechanics RemodelingOriginal Budget \$830,000Revised Budget \$924,500Project Budget

	<u>Original Budget May 1994</u>	<u>Revised Budget April 1995</u>
Contracts	\$ 560,000	\$ 633,400
Design Services	69,275	100,475
Construction Administration	20,085	28,200
University Services	1,000	2,500
Miscellaneous	3,000	3,000
Landscaping	5,000	5,000
Fixed Equipment	0	10,000
Movable Equipment	73,500	44,100
Building Automation	11,000	11,000
Telecommunications	5,500	5,500
Project Reserve	<u>81,640</u>	<u>81,325</u>
 TOTAL	 <u>\$ 830,000</u>	 <u>\$ 924,500</u>

Source of Funds:

Income from Treasurer's Temporary Investments	\$ 448,000	\$ 448,000
Academic Building Revenue Bonds	275,000	275,000
FY 1994 Block Grant Funds/ISU Research Foundation Funds	107,000	
ISU Research Foundation		127,000
FY 1995 General University Funds		50,000
Facilities Overhead Use Allowance	<u> </u>	<u>24,500</u>
 TOTAL	 <u>\$ 830,000</u>	 <u>\$ 924,500</u>

University officials requested approval of a revised project budget in the amount of \$924,500, an increase of \$94,500, to allow award of the construction contract for the Laboratory of Mechanics Remodeling project.

Three bids were received for this project on February 23, 1995. All bids exceeded the engineering estimate by at least 30 percent. Since that time, the university has explored possibilities for reducing construction costs and/or identifying additional funding for the project. This has resulted in the identification of \$107,100 in cost reductions and \$94,500 in additional funding for the project.

The cost reductions were the result of value engineering negotiations with the low and second low bidders. The university's initial negotiations with the low bidder did not result in adequate cost reductions. On March 10, 1995, the university received Executive Director approval to reject all bids and reevaluate the project. The university proceeded to negotiate with the second low bidder; desired results were not obtained.

The university and the project architect then identified a list of 32 items which represented deletions from the project or modifications to the contract documents. The three original bidders were given the opportunity to price the value engineering items.

The two low bidders submitted sealed prices to the university; these were opened on March 31, 1995. The third bidder declined the university's invitation. The university has evaluated the two sets of prices with respect to the original bids and has determined that Harold Pike Construction Company has the lowest overall price for the entire project.

Carrie Chapman Catt Hall Remodeling

June 1994 Budget \$5,075,000

Amended Budget \$5,075,000

Project Budget

	Budget Approved <u>June 1994</u>	Amended Budget <u>April 1995</u>
Contracts	\$ 3,364,305	\$ 3,409,467
Demolition	15,000	0
Design Services	406,940	409,850
Construction Administration	135,950	135,950
University Services	80,000	80,000
Miscellaneous	10,000	10,000
Landscaping	30,000	30,000
Utilities Extensions	80,000	79,450
Movable Equipment	495,000	495,000
Art Work	25,000	25,000
Building Automation	50,000	50,000
Telecommunications	10,000	10,000
Project Reserve	<u>372,805</u>	<u>340,283</u>
TOTAL	<u>\$ 5,075,000</u>	<u>\$ 5,075,000</u>

Source of Funds:

General University Funds	\$ 1,080,325	\$ 1,438,325
Building Repair Funds	1,350,000	1,350,000
ISU Foundation	1,325,000	1,325,000
Academic Building Revenue Bonds	900,000	900,000
Income from Treasurer's Temporary Investments	<u>419,675</u>	<u>61,675</u>
TOTAL	<u>\$ 5,075,000</u>	<u>\$ 5,075,000</u>

University officials requested approval of an amended project budget in the amount of \$5,075,000 to reflect the additional commitment of \$358,000 from FY 1995 General University Funds with a corresponding reduction in funding in Income from Treasurer's Temporary Investments.

The General University Funds were being commitment in accordance with Section 8.33 of the Code of Iowa.

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University officials reported three new projects with budgets of less than \$250,000. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university. Included were two projects at the President's Residence, Knoll--Humidification System in the amount of \$17,000, and Knoll--Irrigation System in the amount of \$8,000. The projects will provide a permanently-installed humidification system for the residence and irrigation system for the outdoor lawn areas.

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ARCHITECT/ENGINEER AGREEMENTS

Iowa Braille and Sight Saving School--Boiler Replacement \$16,665
Ament Engineering Associates, Inc., Cedar Rapids, Iowa

University officials requested approval of an agreement with Ament Engineering Associates to provide design services for the project. The agreement provides for a fee of \$16,665, including reimbursables.

Lagomarcino Hall--Basement Water Infiltration Correction \$47,000
Veenstra and Kimm, Inc., West Des Moines, Iowa

University officials requested approval to enter into an agreement with Veenstra and Kimm to provide engineering services for the project. The agreement provides for a fee of \$47,000, including reimbursables.

Athletic Office and Training Facility--Steam Service \$52,000
Brown Engineering Company, West Des Moines, Iowa

University officials requested approval to enter into an agreement with Brown Engineering Company to provide design services for the project. The agreement provides for a fee of \$52,000, including reimbursables.

Animal Science Teaching Farm--Arena and Classroom \$18,500
Shiffler Associates, Des Moines, Iowa

University officials requested approval to enter into an agreement with Shiffler Associates to provide architectural/engineering services for the schematic design phase of project. The firm demonstrated experience and creative design ability to complete the project. The agreement provides for a fee of \$18,500, including reimbursables.

Animal Science Teaching Farm--Swine Facilities--Phase I \$12,000
Shive-Hattery Engineers and Architects, West Des Moines, Iowa

University officials requested approval to enter into an agreement with Shive-Hattery Engineers and Architects to provide architectural/ engineering services for the schematic design phase of the project. The firm demonstrated experience and creative design ability to complete the project. The agreement provides for a fee of \$12,000, including reimbursables.

Utilities--West Campus Infrastructure Development \$153,529
Ament Engineering Associates, Inc., Cedar Rapids, Iowa

University officials requested approval to enter into an agreement with Ament Engineering Associates to provide engineering services for the project. The firm demonstrated experience and design ability to complete the project. The agreement provides for a fee of \$153,529, including reimbursables.

Intensive Livestock Research and Instruction Facilities \$1,224,355
RDG Bussard Dikis, Des Moines, Iowa

University officials requested approval to enter into an agreement with RDG Bussard Dikis to provide architectural/ engineering services through development of construction documents. The agreement provides for a fee of \$1,224,355, including reimbursables.

Iowa State Center--Soffit Restoration \$18,935
Simonson and Associates, Des Moines, Iowa

University officials requested approval to enter into a revised agreement with Simonson and Associates to provide design services for the project. The agreement provides for a fee of \$18,935, including reimbursables.

Amendments:

Parking Lots 28 and 29 Improvements \$875
Shive-Hattery Engineers and Architects, Iowa City, Iowa

Reiman Gardens \$6,377
CLR Design, Inc., Philadelphia, PA

CONSTRUCTION CONTRACTS

Laboratory of Mechanics Remodeling \$629,700
Harold Pike Construction Company, Inc., Ames, Iowa

University officials requested award of the negotiated construction contract to Harold Pike Construction Company in the amount of \$629,700.

West Campus--Construct Parking Lots \$331,880
Award to: Manatt's, Inc., Ames, Iowa
(1 bid received)

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Hilton Coliseum--Addition for Title IX Compliance--Phase 2
R. H. Grabau Construction Company, Inc., Boone, Iowa

Utilities--Increased Chilled Water Capacity--Phase I--Cooling Tower No. 8--Concrete Basin
Woodruff Construction Company, Fort Dodge, Iowa

Utilities--Increased Chilled Water Capacity--Phase I--Cooling Tower No. 8--Mechanical and Electrical Work
Baker Mechanical, Inc., Des Moines, Iowa

FINAL REPORTS

Friley Hall--Phase 5 Masonry Improvements \$277,957.82

MOTION: Regent Pellett moved that the Register of Capital Improvement Business Transactions for Iowa State University be approved. Regent Newlin seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Dorr, Furgerson, Hendricks, Johnson-Matthews, Newlin, Pellett, Tyrrell.
NAY: None.
ABSTAIN: Collins.
ABSENT: None.

MOTION CARRIED.

APPROVAL OF LEASES AND EASEMENTS. The Board Office recommended the Board approve leases and easements, as follows.

University officials requested approval to enter into a lease as sublessee with Cimtechnologies Corporation for the university's use of 100 square feet of business incubator space at the ISU Research Park for the ISU Center for Industrial Research and Service (CIRAS) at the rate of \$225 per month (\$27 per square foot, \$2,700 per year), for a one-year period.

University officials requested approval of an easement agreement with the City of Ankeny for the extension of a sanitary sewer line on the north end of the research farm.

University officials requested approval to enter into a lease as lessor with HY-VAC Laboratory Eggs Company for its use of 232 square feet of business incubator space at the Iowa State Research Park at the rate of \$225 per month (\$11.64 per square foot, \$2,700 per year) on a month-to-month basis.

University officials requested approval to enter into a lease as lessor with 8VA Corporation for its use of 540 square feet of business Incubator space at the Iowa State Research Park at the rate of \$300 per month for the first three months (\$6.67 per square foot, \$3,600 per year), increasing to \$500 per month for the following three months (\$11.11 per square foot, \$6,000 per year), for a six-month period.

MOTION:

Regent Newlin moved to approve leases and easements, as presented. Regent Tyrrell 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.

TRAFFIC AND PARKING REGULATIONS FOR 1995-96. The Board Office recommended that the Board give preliminary approval to parking permit fee increases in traffic and parking regulations for 1995-96 at Iowa State University (final action to be taken at the May Board meeting).

Iowa State University officials requested Board approval of changes in its traffic and parking regulations for 1995-96, as required by section 10.07 (C) of the Board of Regents Procedural Guide.

Per the Procedural Guide, written notification of the amount of these proposed increases and a copy of the docket memorandum were mailed to the student government president of Iowa State University at the student government office as listed in the university directory.

To allow for the required 30-day notification period, final action on the changes in fines cannot take place until the May Board meeting.

The increased revenue associated with the proposed rate increases will specifically support the cost of expanded shuttle bus service and the construction of a gravel parking lot.

The proposed rate changes reflect inflationary increases in an effort to bring the reserved parking rates in line with the central Iowa marketplace. The proposed rate changes will encourage multiple use of spaces by increasing the cost of reserved areas and assist in the management and regulation of parking on the campus to more effectively utilize existing parking areas and mass transit services.

Proposed changes in fees were:

<u>Permit</u>	<u>Current</u>	<u>Proposed</u>
24 Hour Reserved	\$275.00	\$330.00
Reserved	220.00	240.00
Vendor	55.00	63.00
General Staff	36.96	45.00
Departmental	27.50	63.00
Student Commuter	26.40	30.00
Stadium	26.50	30.00
Motorcycle	11.00	12.00

Regent Pellett asked for an explanation of the departmental permit, noting that it was recommended for a huge increase in fee. Vice President Madden responded that university officials were trying to manage a number of university vehicles that are parked on the campus over night. They would like for those cars to be stored in the evenings because there is a substantial shortage of nighttime parking. University officials were attempting to price the permit in such a way that people will react appropriately.

MOTION:

Regent Hendricks moved to give preliminary approval to parking permit fee increases in traffic and parking regulations for 1995-96 at Iowa State University. Regent Tyrrell 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.

RIGHT-OF-WAY PURCHASE. The Board Office recommended the Board authorize Iowa State University to sell an easement of 3.04 acres of the Coles farm at \$2,300 per acre to Hamilton County subject to approval of the Executive Council of Iowa.

Hamilton County desires to purchase an easement of approximately 3.04 acres of land located on Iowa State University's Coles farm to widen a public highway. Widening the roadway will improve road safety and aesthetics.

University officials determined that a price of \$2,300 per acre was a reasonable value for farmland in this area. The standard quality measurement of farmland in Iowa is the Corn Suitability Rating (CSR). This method establishes a value for each soil type and the combination of various soils determines the aggregate CSR.

The value was reviewed by an Iowa Certified General Real Estate Appraiser, who agreed that the selling price was reasonable.

Vice President Madden stated that the proposed action was viewed as an enhancement to the farm.

MOTION:

Regent Newlin moved to authorize Iowa State University to sell an easement of 3.04 acres of the Coles farm at \$2,300 per acre to Hamilton County

subject to approval of the Executive Council of Iowa.
Regent Hendricks 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 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, April 19, 1995.

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

Register of Personnel Changes for February and March 1995 which included promotion and tenure actions.

MOTION: Regent Furgerson moved to ratify the university's personnel transactions, as presented. Regent Tyrrell 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, as presented.

PROJECT DESCRIPTIONS AND BUDGETS

McCollum Science Hall--Renovation of Chemistry and Environmental Science Research Facilities \$666,000

Preliminary Budget

Contracts/Purchase Orders	\$ 577,600
Consultant/Design Services	54,000
Art Work	3,400
Contingencies	<u>31,000</u>
TOTAL	<u>\$ 666,000</u>

Source of Funds:	
Federal Grant	\$ 333,000
Building Repairs	<u>333,000</u>
 TOTAL	 <u>\$ 666,000</u>

University officials requested approval of a project description and budget for the renovation of approximately ten laboratory rooms in McCollum Science Hall. The area will be remodeled to provide modern undergraduate teaching and research space. The remodeling project will include general, electrical and mechanical work for approximately 7,058 gross square feet of this space.

The project will be partially funded by a grant from the National Science Foundation in the amount of \$333,000. The grant was awarded to the university in March 1995 in support of the university's proposal for the Academic Research Infrastructure Program: Facilities Modernization Solicitation. The grant will be matched by the university with Building Repair funds.

School of Music Classroom Building/Performing Arts Center \$17,800,000
Source of Funds: Private Funds and Anticipated State
Appropriations

Preliminary Budget

Contracts/Purchase Orders	\$ 14,461,000
Consultant/Design Services	1,640,000
Furnishings and Equipment	1,000,000
Art Work	89,000
Financing	120,000
Contingencies	<u>490,000</u>
 TOTAL	 <u>\$ 17,800,000</u>

University officials requested approval of a project description and budget for construction of a new building to serve the needs of the School of Music. The facility will provide space for student instruction, as well as vocal, instrumental, dance and theatre productions.

The building will contain approximately 115,000 gross square feet of space which will include performance space with seating for up to 1,800. This area will incorporate advanced acoustical design and state-of-the-art lighting technology.

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

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ARCHITECT/ENGINEER AGREEMENTS

School of Music Classroom Building/Performing Arts Center \$1,528,750
Hammel Green Abrahamson, Inc., Minneapolis, MN

University officials requested approval to enter into an agreement with Hammel Green Abrahamson to provide design services for the project. The university Architectural Selection Committee interviewed six design teams interested in providing design services for this project. Regent Betty Jean Furgerson also participated in the interviews. The university recommends selection of the design team of Hammel Green and Abrahamson of Minneapolis, Minnesota and Flinn Saito Andersen of Waterloo, Iowa based on the team's extensive experience in the building type, design ability, and knowledge of Board of Regents procedures. The two firms will be working as a design team; the contract will be entered into with Hammel Green Abrahamson, Inc.

The agreement provides for a fee of \$1,528,750, including reimbursables.

CONSTRUCTION CONTRACTS

Lawther Hall Windows

Reject Bid

One bid was received for this project which exceeded the engineering estimate by approximately 11.6 percent. On March 6, 1995, the Executive Director authorized the university to reject the bid and reevaluate and re-bid the project at a future date.

Commons Renovation--Art Work
Award to: Jeff Easley, Oxford, Iowa

\$4,900

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Electrical and Communication Distribution System

Youngblut Contracting, Inc., Washburn, Iowa

Russell Hall/West Gym/Schindler Education Center \$157,984.16

Electrical Distribution System--Nebraska and 27th Street Loops \$358,578.07

Library Addition--Bookstacks

J. S. Latta Company, Cedar Falls, Iowa

\$157,990.00

Library Addition--Carrel and Table Seating

Koch Brothers, Des Moines, Iowa

\$103,146.60

MOTION:

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

PROPERTY PURCHASE AND PROPERTY EXCHANGE. The Board Office recommended the Board authorize the University of Northern Iowa, subject to approval of the Executive Council of Iowa, to enter into an agreement for the exchange and purchase of real estate which will result in the university owning 65 acres of land located at the corner of Greenhill and Hudson Road at a cost of \$418,613.

University of Northern Iowa officials desire to acquire three parcels of land (known collectively as Parcel A) from Robert L. Christensen and Mercantile Bank of Northern Iowa, Trustee of the Robert L. Christensen Trust. Parcel A is bare farmland, located at the corner of Greenhill and Hudson Road.

University officials desire to acquire the property because approximately one half of the property is within the Board-approved campus plan and the balance is adjacent to other university property. The property will be held by the university for future expansion of the campus.

The price for the property, based on two appraisals, was established at \$418,613, which was within Board policy. Funds for the purchase are available from Treasurer's Temporary Investments.

Christensen and Trust are unwilling to sell Parcel A; they are, however, willing to exchange Parcel A for Parcel B in order to qualify the exchange as a tax-free exchange (or partially tax-free exchange) as to Christensen and Trust under Section 1031 of the Internal Revenue Code. Parcel B, which is bare farmland, is located adjacent to 26813 255th Street; Shell Rock, Iowa and is owned by James L. and Shirley Miller. The purchase price for Parcel B is \$440,625.

The university will transfer cash of \$418,613 (value of 65 acres the university is purchasing) to Miller; and Christensen and Trust will transfer additional cash in the amount of \$22,012 to account for the difference in value of the two properties. The university will not take possession of the Miller property.

The exchange and purchase agreement was reviewed by the Attorney General's Office and was recommended for approval. Approval of the Executive Council is required for the exchange and purchase of the real estate.

MOTION: Regent Collins moved to authorize the University of Northern Iowa, subject to approval of the Executive Council of Iowa, to enter into an agreement for the exchange and purchase of real estate which will result in the university owning 65 acres of land located at the corner of Greenhill and Hudson Road at a cost of \$418,613. Regent Hendricks seconded the motion.

President Curris stated that it was the southwest corner of the campus that would be impacted by this transaction. He said the significance of the exchange is long range in nature. The space needs of the University of Northern Iowa 20 years from now are unknown. These properties will connect to the south side of the campus near the Industrial Technology Building and would be the primary area for any long-term expansion of the university. It would also protect the university's existing property. There are no plans at this time to do anything with the property; it will probably be leased out.

VOTE ON THE MOTION: 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 then asked Board members and institutional officials if there were additional items for discussion pertaining to the University of Northern Iowa.

President Curris brought forth the following supplemental docket item:

APPROVAL AND AWARD OF HONORARY DEGREE.

University officials requested approval to award the Honorary Degree, Doctor of Humane Letters, to Gary Kelley at the Spring 1995 Commencement.

Since receiving a Bachelor of Arts degree in Art from the University of Northern Iowa in 1968, Mr. Kelley has become internationally known as one of the finest illustrators of our time. His work has been unreservedly praised by colleagues and critics, and the list of his regular clients has grown to include The New Yorker, The Washington Post, Newsweek, Time, The Franklin Library, Atlantic Monthly, Rolling Stone, Texas Monthly, Sports Illustrated, Time-Life Books, RCA Records, CBS Records, the National Football League, and many others.

President Curris explained the necessity for the lateness of the presentation of the supplemental docket item. He stated that Gary Kelley is one of the outstanding illustrators in the country.

MOTION: Regent Furgerson moved to award the Honorary Degree, Doctor of Humane Letters, to Gary Kelley at

the Spring 1995 Commencement. Regent Johnson-Matthews seconded the motion.

Regent Furgerson stated that she knows Mr. Kelly and agreed that he is very deserving of this award. When she first got to know him he was working for an advertising firm in Waterloo. Mr. Kelley has chosen to stay in the Waterloo-Cedar Falls area although he does much work nationally. He also does a lot of work for non-profit agencies in the community and for the University of Northern Iowa and the University of Iowa. She said Mr. Kelley is very highly regarded in his field and is a marvelous artist.

VOTE ON THE MOTION: Motion carried unanimously.

IOWA SCHOOL FOR THE DEAF

The following business pertaining to Iowa School for the Deaf was transacted on Wednesday, April 19, 1995.

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

Register of Personnel Changes for February 1995 including one request for early retirement.

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

REQUEST FOR APPROVAL OF 1995/96 SCHOOL YEAR CALENDAR AND CALENDAR FOR HOLIDAYS FOR 1995/96. The Board Office recommended the Board approve the proposed 1995-96 School Year Calendar and Calendar for Holidays for 1995-96 at the Iowa School for the Deaf.

The calendar proposed 180 teaching days and 9 in-service days for faculty, and was consistent with past practice and Board policy. The calendar is aligned with the calendar of Lewis Central Community Schools to facilitate ISD's mainstreaming program with Lewis Central.

ACTION: This matter was approved, by consent.

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

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

Exterior Masonry Restoration \$57,500
Source of Funds: FY 1995 Building Repair Funds

Preliminary Budget

Construction	\$ 50,000
Architectural/Engineering Fees	<u>7,500</u>
TOTAL	<u>\$ 57,500</u>

This project will provide masonry repair to restore the facade of the gymnasium and Long Hall.

MOTION: Regent Furgerson moved to approve the Iowa School for the Deaf Register of Capital Improvement Business Transactions, as presented. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

APPROVAL OF LEASE. The Board Office recommended the Board approve the lease, as presented.

Iowa School for the Deaf officials requested approval to enter into a lease as lessor with the West Pottawattamie County Extension District for its use of 3,000 square feet of space on the Iowa School for the Deaf campus, for a three-year term commencing July 1, 1995, through June 30, 1998, at the rate of \$750 per month (\$3 per square foot, \$9,000 per year) for the first year of the lease, and increasing to \$1,000 per month (\$4 per square foot, \$12,000 per year) for the remaining two years.

MOTION: Regent Newlin moved to approve the lease, as presented. Regent Tyrrell 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 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, April 19, 1995.

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

Register of Personnel Changes for the period January 29 to March 25, 1995.

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

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office stated there were no transactions this month on the school's capital register.

President Berenstein then asked Board members and institutional officials if there were additional items for discussion pertaining to Iowa Braille and Sight Saving School.

Superintendent Thurman stated that Ivan Terzieff, assistant superintendent, had been selected as the new superintendent for the Arkansas School for the Blind. Mr. Terzieff has been with Iowa Braille and Sight Saving School since November 1987 and has given considerably to the faculty, staff and students. Superintendent Thurman stated that he was very proud that Mr. Terzieff had been selected.

With regard to the search process, Superintendent Thurman said it was underway. Faculty, staff and parents are involved in the process. School officials have notified 45 other residential schools of the opening. The expectation is to begin interviews in June and to make a selection by August 1. He noted that on May 21 he will become principal as well as Superintendent of Iowa Braille and Sight Saving School.

President Berenstein, on behalf of the Board of Regents, thanked Mr. Terzieff for his years of service to Iowa.

ADJOURNMENT.

Regent Furgerson asked to elaborate on her comments of last month as a departing member of the Board of Regents. The kindness of many people had helped to make this job much easier and more pleasant, which she appreciated. She said she had learned a lot. She will miss everyone but will probably miss Presidents Curris and Rawlings most because she will not get to see them. She wished everyone good luck and said they were in her prayers.

Regent Hendricks said she echoed everything said by Regent Furgerson. In the spirit of communications, she said the message needed to go out to the people in the state that two of the best kept secrets of the state is the fine work being done at the special schools. They need to find ways to develop a deep appreciation for what is being done at those two institutions as well as at the three universities.

President Berenstein thanked everyone for their kindness. He enjoyed his term on the Board of Regents immeasurably and said it was absolutely the highlight of his life. He will miss the people, the process and the communication. He said he believes the function of this body is so important that it should not be kept a secret. They need to tell the people of the state about the five "jewels" in their "crown".

Regent Collins stated that the Board would be losing 18 years of experience with the three departing Regents. They had each brought special expertise to the deliberations. Elizabeth Hendricks brought her legal background as well as her educational background. He said Betty Jean Furgerson has been involved in many worthwhile activities in the community and in the state. She brought a depth of feeling, understanding and empathy that will be very hard to replace. Marvin Berenstein brought his legal perspective as well as much experience in the Bar Association and other administrative positions. The Board will lose a lot when it loses those three Regents.

Regent Collins said the remaining six Regents are excited about the two individuals newly confirmed as Regents (Ellengray Kennedy and Beverly Smith). He said Regents Berenstein, Furgerson and Hendricks will be missed. On behalf of the institutions he expressed appreciation for what those Regents had done.

The meeting of the State Board of Regents adjourned at 12:33 p.m., on Thursday,
April 20, 1995.

Robert J. Barak
Deputy Executive Director