

The State Board of Regents met on Thursday, December 3, 1998, at the Marriott Hotel, West Des Moines, Iowa. The following were in attendance:

	<u>December 3</u>
<u>Members of State Board of Regents</u>	
Mr. Newlin, President	All sessions
Ms. Ahrens	Excused at 2:30 p.m.
Mr. Arenson	Arrived at 10:15 a.m.
Mr. Fisher	All sessions
Dr. Kelly	All sessions
Mrs. Kennedy	Excused
Mr. Lande	All sessions
Mrs. Pellett	All sessions
Mrs. Smith	Excused at 3:25 p.m.
<u>Office of the State Board of Regents</u>	
Executive Director Stork	All sessions
Deputy Executive Director Barak	All sessions
Director Elliott	All sessions
Director Wright	Arrived at 11:00 a.m.
Associate Director Kniker	All sessions
Associate Director Racki	All sessions
Assistant Director Brunson	All sessions
Assistant Director Gonzalez	All sessions
Assistant Director Snyder	All sessions
Minutes Secretary Briggie	All sessions
<u>State University of Iowa</u>	
President Coleman	All sessions
Vice President True	All sessions
Director Murphy	All sessions
Associate Director Braun	All sessions
<u>Iowa State University</u>	
President Jischke	All sessions
Provost Kozak	All sessions
Vice President Hill	All sessions
Vice President Madden	All sessions
Executive Assistant to the President Dobbs	All sessions
Assistant to the President Mukerjea	All sessions
Director Bradley	All sessions
Director McCarroll	All sessions
Associate Director Steinke	All sessions
<u>University of Northern Iowa</u>	
President Koob	Excused at 1:25 p.m.
Associate Provost Cook	Excused at 1:25 p.m.
Vice President Conner	Excused at 1:25 p.m.
Executive Assistant to the President Gadelmann	Excused at 1:25 p.m.
Director Chilcott	Excused at 1:25 p.m.
Assistant Director Saunders	Excused at 1:25 p.m.
<u>Iowa School for the Deaf</u>	
Superintendent Johnson	Excused at 1:20 p.m.
Director Heuer	Excused at 1:20 p.m.
Interpreter Trelstad	Excused at 1:20 p.m.
<u>Iowa Braille and Sight Saving School</u>	
Superintendent Thurman	Excused at 1:20 p.m.

Director Woodward

Excused at 1:20 p.m.

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Thursday, December 3, 1998.

APPROVAL OF MINUTES OF BOARD MEETING OF NOVEMBER 18-19, 1998. The Board Office recommended the Board approve the minutes.

President Newlin asked for additions or corrections to the minutes.

MOTION: Regent Fisher moved to approve the minutes of the meeting of November 18-19, 1998. Regent Lande seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

Ratify personnel transactions at the Regent institutions and Board Office, as presented;

Receive the status report on the Board Office budget; and

Approve the Board meetings schedule.

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

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION.
(a) Approval of Catalog Changes, Iowa State University. The Board Office recommended the Board approve proposed catalog course changes from Iowa State University.

Iowa State University officials requested approval of the proposed revisions for its 1999-2001 General Catalog.

The report included new programs added or deleted by prior action of the Board of Regents since the last approval of catalog revisions. No new programs were requested at this time. In two instances, undergraduate curricula were combined into a single program that makes better use of existing resources and is more consistent with student needs: 1) the curricula in Metallurgical Engineering and Ceramic Engineering were being combined into a curriculum in Materials Engineering, and 2) the curricula in Family and Consumer Sciences Education and Family Consumer Sciences Studies were combined into a curriculum in Family and Consumer Sciences Education and Studies. In each case the programs themselves will continue to be offered as options within the new, broader curriculum, so that students and courses will not be affected. The major in Russian was redefined as a major in Russian Studies by incorporating it into the former Russian Studies option in the International Studies program.

The new courses represent not only additions due to new knowledge, but also restructuring in several areas in which one or two-credit segments of existing courses have been separated out. The Faculty Senate Curriculum Committee requires that, with a few exceptions, all new courses must have been offered experimentally to establish that the department is able to staff them and that sufficient interest exists to justify adding them to the catalog.

At the request of the ad hoc University Outcomes Assessment Committee and with the support of the Faculty Senate Curriculum Committee, each department and program has added to its introductory statement a description of the most important learning outcomes expected of students in the program, describing what the program's graduates are expected to know, understand, and be able to do with their knowledge. These expectations will form the basis for assessment of student learning.

The proposed catalog changes were reviewed by the Interinstitutional Committee on Educational Coordination and the Board Office and both recommended approval.

MOTION: Regent Fisher moved to approve proposed catalog course changes from Iowa State University. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

(b) Proposal for a Master of Public Health (MPH) Degree in the Department of Preventive Medicine and Environmental Health, University of Iowa. The Board Office recommended the Board approve the University of Iowa proposal to establish a Master of Public Health (MPH) degree.

University of Iowa officials requested approval of a Master of Public Health (MPH) degree in the Department of Preventive Medicine and Environmental Health. This program would address a particular identified need for public health training in the west central region of the United States (including Iowa).

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

The offering of the Master in Public Health Program would be contingent upon receipt of sufficient appropriations for a public health initiative. The Board of Regents approved a University of Iowa request for \$1.25 million for FY 2000 and \$2.75 million for FY 2001 for this and related purposes. This request is part of the Board's legislative request. Specifically, this proposed program would require \$855,000 for each of the first two years of the program and \$805,000 the third year.

MOTION: Regent Ahrens moved to approve the University of Iowa proposal to establish a Master of Public Health (MPH) degree. Regent Pellett seconded the motion.
MOTION CARRIED UNANIMOUSLY.

FINAL REVIEW OF STRATEGIC PLANS. The Board Office recommended the Board (1) approve the strategic plans from each Regent institution and (2) approve the strategic plan of the Board of Regents.

As noted at the November meeting of the Board, the Regents are committed to strategic planning as an essential part of its governance responsibility. Since the mid-1980s, the Board and the Regent institutions have been engaged in a variety of strategic planning efforts. More recently, the Board's planning efforts have become more systematic with specific action steps for the Board plan and indicators for the institutional plans. The Board has developed a process to formulate key result areas and institutional goals, which are attainable and which can be measured each year.

This month the Board was asked to approve the plans of each Regent institution and the Board's strategic plan, which it reviewed in November.

Each institutional plan is consistent with the Board of Regents strategic plan. Through goal statements, benchmarks and indicators, each institution reveals how it intends to become part of the best public education enterprise in the United States.

The summary charts were modified at a few points since last month's report, based on further clarification from each institution.

Each institutional head made a presentation in November concerning the institution's strategic plan and the plans presented for adoption reflected modifications made since the November Board meeting.

The one substantive change in the Board of Regents strategic plan is the addition of an Action Step (4.4.1.4, page 64), which addresses the matter of implementing an annual comprehensive communications program. The other

changes all relate to providing more specificity in the Board's plan, especially with respect to implementation dates in the action steps.

(a) University of Iowa. The Board Office recommended the Board approve the strategic plan for the University of Iowa.

University of Iowa officials identified seven goals in connection with its mission of *Achieving Distinction 2000*. They include establishing: (1) comprehensive strength in undergraduate programs; (2) premier graduate and professional programs in a significant number of areas; (3) a faculty of national and international distinction; (4) a record of distinguished research and scholarship; (5) a culturally diverse and inclusive university community; (6) strong ties between the university and external constituencies; and (7) a high-quality academic and working environment.

The university's report highlights substantial progress in many areas, and as President Mary Sue Coleman presented at the November meeting of the Board, the university has met or exceeded a number of its target indicators. Many references to the incorporation of technology appear in the plan. Also, the commitments to quality education and access are evident.

To measure and report progress, University of Iowa officials identified targeted indicators, which it defines as "those quality-related measures that can be associated with time-specific numerical objectives," and progress indicators, which are described as "additional points of reference that cannot be set at predetermined levels but are useful in tracking the institution's direction and rate of improvement." The progress indicators, in other words, provide more intangible measures of achievement.

President Coleman said the strategic plan was essentially the same as presented last month. She was pleased with the progress being made on the plan.

President Newlin expressed appreciation to President Coleman as well as to all institutional heads for their strategic plans and particularly for the targets and performance indicators.

MOTION: Regent Fisher moved to approve the strategic plan for the University of Iowa.
Regent Pellett seconded the motion.
MOTION CARRIED UNANIMOUSLY.

(b) Iowa State University. The Board Office recommended the Board approve the strategic plan.

To achieve its goal of becoming the nation's best land-grant university, Iowa State University officials selected six goals. They include: (1) strengthening undergraduate teaching, programs, and services; (2) strengthening graduate, professional, and research programs; (3) strengthening outreach and extension programs; (4) sustaining and enhancing an intellectually stimulating environment

and a supportive university community; (5) establishing international leadership in the integration and effective use of information technology and computation services; and (6) strengthening initiatives to stimulate economic development. The university's report sets forth quantitative and qualitative indicators or benchmarks of progress achieved in each area.

At the November meeting, Iowa State University officials were requested by the Board to provide targets for the strategic planning benchmark measures that were noted as *unspecified*. A number of these benchmarks are meant to reflect qualitative characteristics, and thus have been exemplified in the annual progress reports by describing significant initiatives and outcomes. However, as the Board requested, Iowa State University officials now specify targets for the benchmarks as well.

President Jischke stated that the substance of Iowa State University's strategic plan had not changed. Some additional quantitative goals related to the strategic plan were provided in response to comments of the Board.

President Newlin expressed appreciation for the specificity in the targets.

MOTION: Regent Fisher moved to approve the strategic plan for Iowa State University. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) University of Northern Iowa. The Board Office recommended the Board approve the strategic plan.

The four goals of the University of Northern Iowa strategic plan are to promote intellectual vitality, to promote a sense of community within the university, to effectively manage internal resources and to seek external resources aggressively, and to enhance external relations. Some of the unique strategies taken toward these goals include developing individual Programs of Study (POS) for every student, holding campus-wide discussions and crafting statements on the qualities of an educated person, and conducting several studies. Some of the non-statistical goals used by University of Northern Iowa are inherently harder to measure than the numerical goals.

At the University of Northern Iowa, teacher education is a university-wide function and University of Northern Iowa's College of Education has been given the responsibility of developing an extensive strategic plan. The Board received additional material on strategic planning in this area at the November meeting.

President Koob distributed to the Regents copies of the revised strategic plan. He stated that last month the Board requested that university officials "raise the bar" on some of its goals. The Regents were provided with revised numbers that apply to three strategies: 1) the number of off-campus courses, 2) professional development and 3) the number of dollars transferred to the university from the foundation.

President Newlin expressed appreciation for the fast turnaround on revising the numbers.

MOTION: Regent Pellett moved to approve the strategic plan for the University of Northern Iowa. Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

(d) Iowa School for the Deaf. The Board Office recommended the Board approve the strategic plan.

Iowa School for the Deaf has as its mission providing comprehensive and appropriate programs and services that will enable deaf and hard of hearing students to attain personal excellence. The key result areas developed to help school personnel meet the institution's mission are: quality teaching, pupil personnel and administrative services; strengthening and expanding creative and innovative programming, maintaining facilities and equipment with sufficient funding, and accountability. Under each key result area, Iowa School for the Deaf officials listed objectives and indicators.

Twenty-one benchmarks or indicators of progress were included in this year's report. These point to progress which has been made this year. The Board Office intends to work with the school to develop more specific indicators for future reports, and to monitor progress toward the benchmarks.

There were no modifications made in the strategic plan presented in November.

Superintendent Johnson stated that school officials will now develop the statistical benchmarks.

MOTION: Regent Smith moved to approve the strategic plan for the Iowa School for the Deaf. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

(e) Iowa Braille and Sight Saving School. The Board Office recommended the Board (1) approve the strategic plan and (2) approve the modification of action step 1.1.1.3.

The Iowa Braille and Sight-Saving School's *Strategic Plan 1998-2002* was initially approved at the May 1998 meeting of the Board of Regents. Since that time the school has been actively involved in carrying out the plan. Three key result areas -- quality and access in education, diversity, and finances -- are identified. To achieve goals in each of these areas, relevant initiatives and strategies have been identified.

Iowa Braille and Sight Saving School officials requested a modification of action step 1.1.1.3. That step currently reads:

"Project teams will review program design by May 1, 1999 ensuring enrollment in any residential program shall be based on the presentation of at least three extended core curriculum IEP goals apparent in any admitted student's IEP."

Iowa Braille and Sight Saving School officials requested that the Board approve a modification from three curriculum goals to one extended core curriculum goal for a student's IEP, as currently called for in Action Step 1.1.1.3. The rationale for this modification is based on clarification from the Federal Office of Special Education and Rehabilitation Services in a letter from Assistant Secretary Judy Heumann. The Board has previously reviewed this letter. The proposed admission guidelines also reflect the change to the number of necessary extended core curriculum goals. The Board Office supports this change.

The school's strategic plan continues to be strongly influenced by the Board of Regents' strategic plan and the work on performance indicators done by MGT. The report discusses MGT indicators 10 and 11.

There were no changes in the Iowa Braille and Sight Saving School strategic plan which was presented to the Board in November.

Superintendent Thurman requested Board approval of the school's strategic plan and the modification of action step 1.1.1.3.

MOTION: Regent Fisher moved to (1) approve the strategic plan for the Iowa Braille and Sight Saving School and (2) approve the modification of action step 1.1.1.3. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

(f) Board of Regents. The Board Office recommended the Board approve the strategic plan as modified.

At the November meeting of the Board, the Regents reviewed modifications in its strategic plan, specifically key result areas, objectives, strategies, and action steps. The supplemental enclosures presented at that meeting reflected the Board Office's efforts to add clarity, ease of understanding, and more specificity to the Board's strategic plan in its initial year of implementation. With one exception, namely action step 4.4.1.4, the modifications proposed for adoption are essentially non-substantive but do add much greater specificity, particularly with respect to dates and report names.

The new action step (4.4.1.4) focuses on implementing Board of Regents communications.

There were no other changes in the strategic plan presented to the Board of Regents in November.

Executive Director Stork stated that the Board Office added specificity to completion dates in the Board's strategic plan. One substantive change was to action step 4 which has to do with the communications plan of the Board.

MOTION:

Regent Fisher moved to approve the strategic plan for the Board of Regents as modified.

Regent Lande seconded the motion.
MOTION CARRIED UNANIMOUSLY.

President Newlin expressed appreciation to Executive Director Stork and all Board Office staff for their work on the strategic plans.

ANNUAL REPORT ON PERFORMANCE INDICATORS. The Board Office recommended the Board (1) receive the report and (2) request that all of the Regent institutions begin to report on all of the indicators recommended below by December 2001.

Last year the Board requested that it be provided with one comprehensive report on all of the indicators recommended by MGT of America. This report is intended to provide an overview of all of the indicators which appear during the course of the year in various governance reports and institutional strategic plans.

This is the first year that the Board of Regents received a report on performance indicators. Some indicators apply to only one or two Regent institutions; others could be applied to all institutions. The indicators are presented in two charts, one for the universities and one for the special schools.

The Board Office recommended that certain indicators be reported by all of the Regent universities and in some cases by all of the Regent institutions including the special schools. The potential number of joint indicators is 15. If needed, the Board Office will convene an appropriate group of institutional representatives to identify common reporting indicators especially in those instances where each institution is reporting a different indicator for the same purpose.

The Board Office proposed that the performance indicators in *italics* be reported by all three universities. Currently, the University of Iowa and Iowa State University each report on 29 indicators and the University of Northern Iowa reports on 20. It is estimated that the proposed review would entail examining an additional seven to ten indicators per institution. It should be noted that several indicators relate to the same area, for example, distance education and faculty achievements. Each university responds to different indicators in these areas. The Board Office will work with the universities to identify areas where all three can report on the same indicators and identify some indicators which can be eliminated.

Executive Director Stork stated that this was the first effort to provide the Board with one comprehensive report on performance indicators, as recommended by MGT. He noted that quite a bit of detailed information goes into this effort. There have been some glitches which the Board Office will continue to work on with the institutions. He said he welcomed any constructive input that might be provided regarding this activity.

Director Barak stated that the Board Office regards this report as a work in progress. Board Office staff is continuing to work on the report and to add indicators. He noted that Charles Kniker had done much work on this effort.

Next year the Board will have a set of indicators from previous years. Some indicators may be dropped or modified, and some may be added.

President Jischke stated that in the spirit of constructive remarks he wished to make a few comments. He said Iowa State University officials will provide whatever data the Board wishes. The only issue is the cost to do so. There are two important principles to be considered. There was the issue that these indicators are used internally at the university to focus attention on important issues. He said 38 numbers are too many indicators. He urged collapsing the number of indicators. With too many indicators university officials lose the capacity to focus the institution. A second general comment which President Jischke made was that to have the three universities measured by the same 38 indicators would, in time, work against the idea of distinctive missions. Over time the institutions become what they are measured. He said there are some things that the universities do in common.

President Jischke concluded by stating that he argued for greater differentiation among the institutions and fewer indicators.

President Coleman expressed the willingness of University of Iowa officials to work with the Board Office. She said she is a believer in indicators and in setting targets. She seconded what President Jischke had said. University officials have worked hard at the University of Iowa to develop indicators which are widely agreed upon. The Board Office recommendation would add 12 more indicators, about which she urged caution. She referred to the differing missions of the Regent universities and stated that those are a great strength of Iowa's Regent universities.

President Coleman concluded by stating that she was very willing to work with the Board Office on this effort but she urged caution as they move forward to get agreement.

President Koob said it was his recollection from the Board retreat in January 1998 that the Board is committed to differentiation of the missions of the institutions. The list of performance indicators suggests to University of Northern Iowa officials that more attention needs to be paid to research funding. He stated that the very strength of the University of Northern Iowa is that research is subsidiary to its educational mission. He offered to add his voice to the caution that whatever common indicators are established they be established in the areas where the Board wants the institutions to be alike.

President Newlin stated that the Board was not suggesting or proposing that the institutional missions, visions or cultures be changed. However, there are some common indicators that do not force the institutions to be alike. He provided several examples of such. He said that of the 15 common indicators, the universities were already doing 11 and 12 of them. In the case of research grants, the Board does not want the University of Northern Iowa to change its mission. The other two universities were being asked to report on research but that does not mean that the University of Northern Iowa is expected to do so,

although it does receive a small amount of research funding. He said the Board wants to have the performance indicators in a format where the indicators of each university can be viewed at the same time.

Regent Lande said he believed the remarks from the presidents were appropriate. He challenged them to come to the Board with indications of where the performance indicators either are not meaningful to the institution, might lead the institution astray, or ones that might be disregarded. He said there were likely some that would be considered to be too much work for what is achieved. Institutional officials were better able to judge those and he believed the Board was receptive.

President Newlin stated that the Board Office is working with each of the institutions to try to develop three-year sets of data which will show trends. He proposed that the Board receive a report in December 1999 on the 15 performance indicators about which all three universities will report. He noted that did not mean that institutional officials needed to incorporate the additional three or four performance indicators into their institution's specific strategic plans.

Regent Pellett stated that by doing as was recommended, the institutions will get to where the Board wants them to go that much faster.

President Coleman asked that the wording of the performance indicators not be cast in stone. She believes that institutional officials need to work with the Board Office on whether the performance indicators are relevant. The data may be reportable but she questioned whether the data would relate to performance.

President Newlin stated that this whole process is dynamic. He reiterated the directive that in December 1999 the Board would receive a report on the 15 performance indicators.

MOTION:

Regent Fisher moved to (1) receive the report and (2) request that all of the Regent institutions begin to report on all of the indicators recommended by December 1999. Regent Pellett seconded the motion.
MOTION CARRIED UNANIMOUSLY.

President Newlin expressed appreciation for everyone's work in the area of performance indicators.

Regent Lande asked for institutional comment on what, if anything, is being done with the performance indicators that are not identified as "bold faced".

President Coleman stated that performance indicators are part of the University of Iowa strategic plan which is monitored every year. As reported last month, a number of the goals had already exceeded the 5-year targets; therefore, university officials were reevaluating those. She stressed that very intensive evaluation is going on within the institution.

Regent Lande noted that some of the indicators identified by the Board Office are not part of the universities' strategic plans. President Coleman said it was for that reason that university officials would like to work with the Board Office. She was concerned that the effort to provide information on certain proposed performance indicators would not provide meaningful data for the university and do not evaluate the university's performance.

President Jischke stated, for example, that four of the proposed performance indicators relate to technology. He said those represent four different ways to get at the same issue. Iowa State University measures it slightly differently than does the University of Iowa. There may be a way to come to an agreement on how to measure other than with four performance indicators. Second, Iowa State University officials collect a large amount of data as a way of constantly assessing how the university is doing. A smaller amount of data is utilized for the purpose of assessing progress. An even smaller amount of data is quite visible. Dozens of measures are discussed every year to compare how the university did this year compared to last year, and to determine areas of high priority and focus. He said it is a matter of priority and choice.

President Newlin encouraged President Jischke to work with the Board Office to determine whether any of Iowa State University's 12 performance indicators are embodied in the 15 performance indicators identified by the Board Office. He noted that the Board Office recommended that the 22 "italicized" performance indicators be implemented by 2001; however, there needs to be discussion about that.

Regent Lande suggested that institutional officials review the 22 proposed performance indicators and decide which of those would be meaningful. The Board Office and the institutions would then bring the performance indicators to the Board.

President Koob said there was a question about how the institutions are going to deal with the proposed performance indicators. He said that in fact, most of them are not performance indicators. They are data elements. University of Northern Iowa officials collect data on virtually all of the proposed performance indicators. The question is what is the goal that the Board is trying to accomplish. He did not think any statement had been made on what performance is expected. The data are collected as data points. For the data to be used as performance indicators, a decision has to be made about what direction the Board wants the university to go.

President Newlin stated that President Koob's point was valid. However, the Board is at a point of collecting data. The Board needs guidance from the institutions as to what the indicators are and whether the institutions want to increase by x amount per year. The Board expects that guidance from the institutions. It seemed to him that there can be a set of performance indicators that can apply across all of the universities and some that are specific to an institution. He said the Board needs guidance from President Koob as to what

the 10 or 12 most important performance indicators are for the University of Northern Iowa.

Regent Pellett noted that President Koob's points were well taken.

Regent Fisher stated that in the strategic plan presentations last month the institutional heads had many goals for each institution. Those goals need to be incorporated into this effort by each institution.

President Newlin stated that the Board Office is trying to collect three-year data on the performance indicators.

Regent Fisher said the process is in place and the data is being collected that will help the Board to establish the goals.

REPORT OF PROFESSIONAL DEVELOPMENT ASSIGNMENTS. The Board Office recommended the Board receive the report of faculty professional development assignments which occurred during the 1997-98 school year.

Professional development assignments are one of the ways that the Board of Regents and the universities ensure that quality instruction takes place on the campuses. Faculty members apply through their academic departments and colleges for professional development assignments. During the application process, the faculty member identifies the activities and intended outcomes of the proposed assignment. After review and recommendations by appropriate university committees and institutional officials, the requests for professional development assignments are presented to the Board of Regents for approval in accordance with Iowa Code section 262.13.

Professional development assignments are typically for one semester. Occasionally, assignments may be granted for periods of time greater than a semester. Compensation in these cases is limited to the compensation the faculty member would have received during a semester-long assignment. Typically, colleges and departments are responsible for identifying resources to pay for replacement costs of instruction. From time to time, colleges may apply to the Provost's Office on their campus for assistance in covering replacement costs.

During professional development assignments, faculty members are excused from classroom and other obligations. Following the professional development assignment, the faculty member is responsible for writing about the results of the assignment which will be included in a report to the Board of Regents. Those reports by faculty members are the basis of this report.

Total costs for professional development assignments during the 1997-98 academic year were \$7,532,908, which was 11.9 percent under the projection presented in December 1996. There were 162 faculty members from Regent universities on professional development assignments during the 1997-98 academic year.

This report addresses the following strategies and action steps in the Board's strategic plan:

- Strategy 1.1.3.0 Include meritorious teaching as part of the reward structure relating to salary increases, promotion, tenure, and professional development leaves.
- Action Step 1.1.3.2 Report data in the relevant governance reports and presentations to the Board.
- Strategy 1.2.1.0 Assure that the funding base is diverse and is consistent with the Board's aspirations for institutional excellence.
- Action Step 1.2.1.1 Each institution maintain the confidence and support of the public by utilizing existing financial resources efficiently and effectively.

Regent Fisher asked about the decrease in the number of professional development assignments at the University of Iowa in the last decade. Provost Whitmore responded that he was unsure whether he could articulate the exact reason because the decline happened prior to his coming to the institution. He noted that the numbers are going back up now as part of the university's strategic plan. President Coleman said her recollection of the history was that during the last decade there was a period where there was more concern about professional development leaves for faculty. For that reason, the rules were tightened and there was much more competition. She determined the program was too limited and some faculty who had very good proposals were not getting funded. Professional development leaves is one of the University of Iowa's performance indicators and targets. She said the university has been richly rewarded by faculty's efforts. University officials feel this is a very good program and is extremely well administered.

Provost Whitmore noted that every year there is a small percentage of approved assignments that do not get taken, for various reasons. He said there will always be a difference between the number of assignments proposed and the number actually taken.

ACTION: President Newlin stated the Board received the report of faculty professional development assignments which occurred during the 1997-98 school year, by general consent.

REQUEST FOR PROFESSIONAL DEVELOPMENT ASSIGNMENTS FOR FY 2000. The Board Office recommended the Board approve professional development assignments for the 1999-2000 academic year (FY 2000).

Iowa law provides the Board of Regents with the authority to approve faculty assignments that are designed to improve the Regent institutions. Professional

development activities by the faculty are essential to the academic vitality of the universities.

A rigorous process of review of each proposed professional development assignment is in place at each university. A faculty member who requests a professional development assignment must make a written application for the assignment. Each request is reviewed at the department and collegiate levels to determine the appropriateness of the proposal in light of departmental and collegiate needs, staffing, and financial considerations. Each department and college then makes a recommendation to the provost.

Departments and colleges may apply to the provost's office for financial assistance to hire replacement faculty if departmental and collegiate resources are insufficient. A university committee reviews all requests for assistance made to the provost's office and makes recommendations to the provost.

The provost forwards a recommended list of professional development assignments to the Board of Regents for approval. The Board must grant its approval before final preparations can be made for a professional development assignment.

The Board has been asked to approve professional development assignments for 180 faculty members at the Regent universities for the 1999-2000 academic year. University of Iowa officials requested approval of 113 professional development assignments (7.2 percent of the faculty), Iowa State University officials requested approval of 46 professional development assignments (2.6 percent of the faculty), and University of Northern Iowa officials requested 21 professional development assignments (3.8 percent of the faculty).

Total costs of the professional development assignments are projected to be \$8,102,547 which is 1.6 percent of the total faculty salary budget for the current fiscal year.

This report addresses the following strategies and action steps in the Board's strategic plan:

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- Action Step 1.1.3.2 Report data in the relevant governance reports and presentations to the Board.
- Strategy 1.2.1.0 Assure that the funding base is diverse and is consistent with the Board's aspirations for institutional excellence.
- Action Step 1.2.1.1 Each institution maintain the confidence and support of the public by utilizing existing financial resources efficiently and effectively.

ACTION: President Newlin stated the Board approved professional development assignments for the 1999-2000 academic year (FY 2000), by general consent.

ANNUAL REPORT ON FACULTY TENURE. The Board Office recommended the Board receive the report.

This report is the annual governance assessment of tenure at the three Regent universities. Tenure is a contractual employment status by which faculty appointments are continued indefinitely. Tenure is typically awarded after a faculty member serves a probationary period that usually lasts up to seven years. At most institutions, tenured faculty members are often subject to dismissal only for adequate cause or financial exigency.

Most colleges and universities in the United States offer some form of tenured employment for faculty. The specific terms of tenure policies vary among institutions, but they share many features.

At the Regent institutions, faculty positions are grouped into three categories: tenured (faculty who have attained tenure), probationary tenure track, and non-tenure track (faculty who are not eligible for tenure).

The Regent universities have a total of 6,538 faculty members in Fall 1998. This is an increase of 2.3 percent from the previous year. Of the total, 2,949 are tenured and 788 are probationary faculty members who are on a tenure track. There was a decrease of 21 (-0.7 percent) faculty members from the prior year who are tenured. There was an increase of 11 (+1.4 percent) faculty members who are in probationary tenure track positions. The remaining 2,801 faculty members are not eligible for tenure. This is an increase of 6.0 percent from 1997.

The percentage of tenured faculty among those eligible for tenure is 78.4 percent at the University of Iowa, 80.8 percent at Iowa State University, and 75.8 percent at the University of Northern Iowa. This measure of tenure density has decreased at Iowa State University for the past three years; it decreased slightly at the University of Iowa from the prior year; at the University of Northern Iowa, this measure has increased since 1993.

The total number of tenured and tenure-eligible women faculty at the Regent universities has increased since Fall 1997; however, the percentages of tenured women in proportion to those who are tenure eligible have decreased at the University of Iowa and the University of Northern Iowa. The total number of tenured and tenure-eligible minority faculty at the Regent universities has also increased since Fall 1997; however, the percentages of tenured minority faculty in proportion to those who are tenure eligible have decreased at each university. As a proportion of those women and minority faculty members who are eligible for tenure at the Regent universities, more than 60 percent of minority faculty and women faculty members are tenured.

Tenured appointments are 34.4 percent of all faculty appointments at the University of Iowa, 64.7 percent at Iowa State University, and 52.1 percent at the University of Northern Iowa. However, the University of Iowa data are skewed by the high number of non-tenure track clinical faculty in the Colleges of Medicine, Nursing, Pharmacy, and Dentistry. By excluding the 1,519 non-tenure track positions in these four colleges, the university's overall percentage of tenured faculty increases from 34.4 percent to 56.7 percent.

Tenured faculty represents more than 50 percent of the total faculty in several colleges. At the University of Iowa, more than 60 percent of the faculty in the college of Law are tenured. At Iowa State University, more than 50 percent of the faculty in the colleges of Agriculture, Business, Engineering, Family and Consumer Sciences, Liberal Arts and Sciences, and Veterinary Medicine are tenured. In the colleges of Agriculture, Engineering, and Family and Consumer Sciences, 70 percent or more of the faculty are tenured. At the University of Northern Iowa, more than 50 percent of the faculty in the colleges of Business Administration, Humanities and Fine Arts, and Natural Sciences are tenured.

As a proportion of tenure track appointments, more than 50 percent of the faculty are tenured in 93.8 percent of the departments (n=90) at the University of Iowa; more than 70 percent of the faculty are tenured in 72.9 percent of the departments (n=70). At Iowa State University, more than 50 percent of the faculty are tenured in 92.9 percent of the departments (n=65); more than 70 percent of the faculty are tenured in 75.7 percent of the departments (n=53). At the University of Northern Iowa, more than 50 percent of the faculty are tenured in 97.6 percent of the departments (n=40); more than 70 percent of the faculty are tenured in 73.2 percent of the departments (n=30). Tenure density has implications for academic program planning, for the retention of probationary faculty, and for flexibility in the allocation of human and financial resources.

A recent survey by the American Association of University Professors showed that at the national level, 65 percent of faculty at public institutions have tenure. At public and private doctoral level universities, 67 percent of the faculty have tenure; at public and private comprehensive universities, 62 percent of the faculty have tenure. The Regent institutions are at or below these national figures.

This report addresses the following strategy and action step in the Board's strategic plan:

- Strategy 1.1.3.0 Include meritorious teaching as part of the reward structures relating to salary increases, promotion, tenure, and professional development leaves.
- Action Step 1.1.3.2. Report data in the relevant governance reports and presentations to the Board.

Regent Pellett expressed appreciation for the definitions and the background materials. She then asked why the Regent universities were considerably below

the national averages for tenured faculty. Assistant Director Gonzalez responded that the 34.4 percent figure for the University of Iowa includes all faculty positions. More than 50 percent of all faculty positions at the university are non-tenure track positions. When the number of non-tenure track positions is backed out, the percentage compares more favorably to the national average.

Regent Pellett stated that each of the universities' strategic plans has a high priority on undergraduate education. With regard to tenure, are the universities putting as much emphasis on teaching as on research as a criterion for tenure?

Provost Whitmore stated that the University of Iowa's first criteria for tenure is teaching. Teaching is first considered before consideration is given to research and service. If teaching is not sufficient, the review will not continue.

Regent Fisher asked how long that tenure principle has been in place. Provost Whitmore responded that it was in place when he came to the university. He noted that it is enforced.

President Jischke stated that later in the meeting the Board would hear a report about the revised promotion and tenure document for Iowa State University. The Board members would see that there is considerably more flexibility in the ways faculty can demonstrate their qualifications, particularly that faculty are given more opportunity for greater emphasis on teaching. With regard to statistics, he noted that in the last 5 to 6 years the percentage of Iowa State University faculty gaining tenure has actually grown.

Provost Kozak stated that 1/6th of all faculty who have been approved for tenure in the last 5 years have stressed teaching as the center of their dossier. If one were to integrate all dossiers until now, two-thirds will have come forward with an emphasis on research, one-sixth on outreach, and one-sixth on teaching. He said teaching will no longer be a small area of excellence. The integrated responsibility of faculty will be much more closely gauged.

Regent Pellett stated that traditionally there has not been an emphasis on teaching in tenure decisions. She said it is very important that faculty are able to put emphasis on teaching. Undergraduate education is why the universities exist in the first place. She hopes this trend will continue. She said she respects the portfolio procedures that university officials have taken with faculty.

Regent Ahrens said she agreed with Regent Pellett. She stated that a professor showed her once the correlation between teaching and research, and how those faculty who focus more on teaching have a harder time getting tenure.

President Newlin referred to the statement in the docket memorandum that the Regent institutions are at or below the national figures. He asked that in future reports the figures for the three universities be stated with the comparable data as well as in the other parts of the document where it is appropriate.

Regent Pellett suggested that an analysis of why the institutions are at or below the national figures would be warranted.

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

ANNUAL REPORT ON FACULTY RESIGNATIONS. The Board Office recommended the Board (1) receive the report, (2) encourage the universities to continue efforts to conduct exit interviews and collect data about why faculty members leave, and (3) encourage continuation of faculty mentoring programs.

The Board of Regents' strategic plan recognizes that it is essential to have an outstanding faculty, especially for graduate programs (Action Step 1.1.2.3). Evidence that the three universities have such faculty is documented in governance reports on salaries and tenure. The Regents' strategic plan also calls for a report on faculty resignations (MGT #12).

Resignations of university faculty totaled 122 in 1997-1998, thirty more than reported the previous year. Until this year, faculty resignations have been significantly below the level reported to the Board slightly more than a decade ago, when it reached a high of 165 (1987-88). Since 1988, the average number of resignations has been 111 per year. This year, the number of senior professors who resigned increased at all three institutions. Several individuals in this category assumed administrative positions at other universities.

Regent university faculty report opportunities to advance their careers at other higher education institutions as the primary reason for resigning. The second most frequently given reason for resigning was "personal factors", such as family needs. The third most common reason given was to begin employment in government, business, or private practice. Salary considerations would appear to be important, in at least two of the three categories.

The majority of resignations come from assistant professors. To slow the rate of resignations from these faculty, each university has established mentoring programs to facilitate the orientation of new faculty to its campus.

Women represented 35.2 percent of the faculty to resign from the university faculties this year, an increase from 33.7 percent from last year. Resignations from faculty in ethnic and minority groups accounted for 14.7 percent this year, an increase from 9.8 percent in minority resignations from last year.

The majority of the faculty members who resigned left Iowa. This year, more departing faculty went to non-contiguous states than went to contiguous states.

A recent national study on new faculty reports that younger faculty may be less generally satisfied with their careers, especially with job security and prospects for advancement -- suggesting an even greater need for mentoring programs for young faculty.

The special schools reported nine resignations, seven more than last year, although one of those at Iowa Braille and Sight Saving School is a transfer to a Professional & Scientific position.

Regent Pellett noted that assistant professors are doing some of the greatest exodus from the universities. Could it possibly be due to denial of tenure? Associate Director Kniker responded that in a few cases it may be but the number leaving for that reason was not great.

Regent Pellett asked whether when an assistant professor who has been on a tenure track leaves the university, does his/her years on the tenure track go with him/her or does the professor start all over again.

Provost Whitmore responded that it depends on the institution. Some universities have policies where an assistant professor with, for example, three years at one institution who then moves to another institution can carry those numbers with him/her. At the University of Iowa university officials have insisted that appropriate recognition be given for service at another institution. Assistant professors would then have four years essentially at the University of Iowa before they ever come up for promotion. He pointed out assistant professors receive a very thorough review after the third year at the University of Iowa. University officials very clearly indicate whether in the first three years the faculty member is on track to get tenure. If not, they may begin looking elsewhere at that point. University officials try to indicate very early on if the faculty member is not coming up to the mark.

President Jischke reinforced the point made by Provost Whitmore that the numbers may reflect the counseling some faculty members receive as to how they are performing.

President Newlin asked about the faculty mentoring programs. Provost Kozak responded that most new faculty coming to a major research university are often coming from post-doctoral experiences. Traditionally those individuals need mentoring for various reasons. Mentors can assist new faculty in locating funding agencies for grant submissions. Mentors can answer questions about designing examinations. He said the mentoring program has been very successful in allowing individuals to transition from student to faculty. Iowa State University officials have tried to augment the program by providing to faculty who serve as mentors a small professional development account they can use for their own professional development.

Provost Whitmore stated there is a mentoring program in each department at the University of Iowa. A senior faculty member will advise new faculty about the same sort of issues as had been mentioned by President Jischke. New faculty also benefit from an extensive orientation program including presentations by the person who heads the Center for Teaching. Vice President Skorton talks to new faculty about research opportunities. Faculty Senate officers talk with new faculty about service. Every new faculty member is invited to a luncheon with the provost. New faculty are asked if they have any issues about which they would

like to discuss, any promises or expectations that had not been fulfilled. He concluded by stating that the University of Iowa has an aggressive program of welcoming new faculty.

Regent Kelly asked what percentage of faculty who wish tenure fail to get it. Provost Whitmore responded that at the University of Iowa about 15 percent are unsuccessful at achieving tenure. Provost Kozak responded that at Iowa State University about one out of every five faculty members do not achieve tenure. President Koob stated that at the University of Northern Iowa about 80 percent of faculty achieve tenure. He then asked Susan Koch, Acting Assistant Vice President for Academic Affairs, to address the mentoring program at the University of Northern Iowa.

Acting Assistant Vice President Koch noted that she is a mentor. She said the University of Northern Iowa has a variety of programs that take place. Faculty orientation provides special events for faculty through their first year. Each new faculty member is assigned a mentor in their own department. There are various mentoring programs in each department. She said the University of Northern Iowa does a good job of welcoming new faculty.

Regent Smith thanked institutional officials for the information related to the exit interviews. She noted that the minority resignations increased overall and asked if information was available as to each institution's amount of increase in minority resignations.

Associate Director Kniker responded that at the University of Iowa minority resignations were 16.4 percent, compared with 16.1 percent the previous year. At Iowa State University there were seven minority resignations this year and one last year. At the University of Northern Iowa there were two minority resignations this year and one last year.

ACTION:

President Newlin stated the Board, by general consent, (1) received the report, (2) encouraged the universities to continue efforts to conduct exit interviews and collect data about why faculty members leave, and (3) encouraged continuation of faculty mentoring programs.

AWARD OF EISENHOWER GRANTS. The Board Office recommended the Board approve the funding of five projects in Iowa under the federal Eisenhower Professional Development Program.

The Eisenhower Program is a federal program that offers competitive grants to institutions of higher education and certain non-profit organizations to provide in-service and pre-service training for K-12 teachers in the fields of Math, Science and Reading. The Board Office has been designated for the last 15 years as the state higher education agency responsible for administering the Eisenhower Higher Education Professional Development Program in Iowa.

Board Office staff work with State Department of Education officials and an Advisory Committee representing all sectors of the Iowa educational community to coordinate efforts of the program to meet the common goal of improvement in student learning in mathematics, science and reading. The advisory committee reviews all proposals and recommends specific proposals for funding to the Board.

The current competition was for \$429,815 available funding. Congress designated \$31,663 for professional development in reading in addition to the funding for mathematics and science. The Board Office received six proposals, five were recommended for funding.

MOTION: Regent Fisher moved to approve the funding of five projects in Iowa under the federal Eisenhower Professional Development Program. Regent Ahrens seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

Regent Smith said it would be nice if there was a way to link Regent universities' recruitment efforts with projects that focus on targeted underrepresented populations in K-12 schools.

Director Barak responded that the Regent institutions are involved in the Eisenhower projects; therefore, there is a natural linkage. He said there was also the issue of whether the projects are connected with Regent admission efforts.

Regent Smith stated that the Regent members on the Diversity Study Group discuss in their meetings the need for outreach at an early age. She said this seemed like a wonderful opportunity to do that.

LEGISLATIVE PROGRAM, 1999 SESSION. The Board Office recommended the Board give final approval to the proposals recommended for inclusion in the Board's legislative program for the 1999 session.

The 1999 Session of the Iowa General Assembly is scheduled to convene on Monday, January 11, 1999. Prior to the legislative session, the Board Office requests the institutions submit issues for inclusion in the Regents legislative program.

During last year's legislative session, the Department of General Services proposed an increase in the public bid requirement for construction, repairs, or public improvements from \$25,000 to \$100,000, which the Board supported. The department is proposing the increase for the 1999 session since legislation was not enacted in 1998. The three universities request that the Board again support an increase in the public bid threshold.

Proposals for the 1999 legislative session submitted in October and November included monitoring actions regarding the indigent patient care program, the Iowa Communications Network, and teacher preparation reform; and supporting initiatives of the University of Northern Iowa related to its Waste Reduction Center, ag-based industrial lubricants program, and criminal justice program.

Executive Director Stork reviewed the proposed legislative program with the Regents. He stated that by the time the Board meets again the legislative session will have started and the new governor will have taken office. The Regent budget hearings have taken place. Governor-elect Vilsack and his transition staff are working on the budgets. He noted that later in the meeting the Board would receive a report on the indigent patient care program at the University of Iowa.

MOTION: Regent Kelly moved to give final approval to the proposals recommended for inclusion in the Board's legislative program for the 1999 session. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

ANNUAL REPORT ON DIVERSITY. The Board Office recommended the Board receive the following annual reports:

Affirmative Action
College Bound and Iowa Minority Academic Grants for Economic Success (IMAGES)
Minority and Women Educators Enhancement Program

Annual Report on Affirmative Action

The Board of Regents exemplified its commitment to diversity when it identified diversity as one of its four key result areas in the Board's strategic plan. The Board's commitment to diversity is mirrored in the strategic plan of each institution.

The achievement of a diverse workforce does not happen in a one-year period but rather over a period of years. For the most part from last year to this year, increases or decreases in the various employment categories were very slight. However, progress is evident when viewed over a five- or ten-year period as shown below:

Time period	Percentage of Minority Employment All Regent Institutions
September 30, 1988	4.9%
September 30, 1993	6.8%
September 30, 1998	7.6%

Progress is also evident in the percentage of women in tenure track faculty positions. The percentage of women tenure track faculty has increased from 20.2 percent in 1988 to 28.3 percent in 1998. Minority tenure track faculty has increased from 7 percent in 1988 to 11.9 percent in 1998.

The table below compares the current workforce with that of one year ago.

	TOTAL WORKFORCE		PERCENT OF WOMEN		PERCENT OF MINORITY PERSONS	
	9/30/98	9/30/97	9/30/98	9/30/97	9/30/98	9/30/97
SUI	12,967	12,855	60.6%	60.6%	6.8%	6.4%
ISU	6,173	6,156	48.3%	48.0%	8.6%	8.6%
UNI	1,828	1,815	51.9%	51.5%	10.6%	10.8%
ISD	163	149	68.7%	71.1%	6.1%	3.4%
IBSSS	100	102	81.0%	84.3%	0%	0%
TOTAL	21,231	21,077	56.4%	56.3%	7.6%	7.4%

Annual Report on College Bound and IMAGES Programs

The College Bound and IMAGES programs were established by the General Assembly in 1989 when sections 262.91, 262.92, and 262.93 were added to the Code of Iowa.

The need for a diverse student population is reflected in the Board's strategic plan as well as in each university's plan.

Through the College Bound program the Regent universities provide programs and activities which encourage Iowa minority students in grades 7-12 to think of college as a choice and help them gain some of the skills needed for college success. Each university offers College Bound programs as well as cooperating with the other Regent universities in joint programs.

The Iowa Minority Academic Grants for Economic Success (IMAGES) program was established to provide additional funding to the Regent universities to encourage Iowa minority students to remain in Iowa and attend colleges and universities in Iowa. The IMAGES program is supported by annual state appropriations. The grant awards are based on need and cannot exceed \$3,500 or the student's yearly financial need (whichever is less). A total of 747 minority students received IMAGES grants for the 1998-99 academic year, an increase of 27 from the previous year.

A total of \$1.6 million was allocated to the IMAGES programs in 1998-99 academic year by the three universities.

	1998-99	1997-98
University of Iowa	\$636,474	\$637,211
Iowa State University	646,210	634,836
University of Northern Iowa	332,200	332,200
TOTAL	<u>\$1,614,884</u>	<u>\$1,604,247</u>

Annual Report on Minority and Women Faculty Enhancement Program

Iowa Code Chapter 262.82 provides that the Board of Regents shall establish a program to recruit minority educators to faculty positions in the universities under the Board's control. The program shall include, but is not limited to, the creation of faculty positions in all areas of academic pursuit. The table below compares the fiscal year 1998 expenditures with those of fiscal year 1997.

	1998-99	1997-98
University of Iowa	\$404,250	\$302,100
Iowa State University	337,026	165,819
University of Northern Iowa	40,000	40,000
Total	<u>\$781,276</u>	<u>\$507,919</u>

The UNIVERSITY OF IOWA is using the program funds to support 12 faculty and post-doctoral positions in the Colleges of Education, Engineering, Dentistry, Liberal Arts, and Pharmacy.

Since the program was initiated in fiscal year 1990, IOWA STATE UNIVERSITY has provided full or partial funding for 66 women or minority faculty members at a total cost of \$1.5 million.

The UNIVERSITY OF NORTHERN IOWA began its program in 1989 by supporting a minority faculty member for the Political Science Department and in 1990 adding support for an administrative/academic position. A minority female has been recruited and hired as Associate Dean for the Graduate College and as a faculty member in the Department of Educational Administration and Counseling.

Regent Arenson asked that institutional officials address issues about IMAGES, how the IMAGES dollars are distributed, and consideration of the various components of minority student groups. The information provided for this item

indicated that the African American student recipients are substantially higher at the University of Northern Iowa than at Iowa State University. He was curious about how those awards are distributed.

Mr. Coulter stated that the College Bound Program leads into the IMAGES grants. If a student participates in the IMAGES Program, the student is issued a voucher to receive up to \$3,500 of needs-based financial aid. A student who does not participate in the College Bound Program may receive up to \$2,500 of needs-based financial aid. IMAGES grants are awarded on a first-come first-served arrangement. Students are encouraged during the recruitment process to submit their applications early. IMAGES grants are then included in students' financial aid packages. The distribution of IMAGES funds among ethnic groups will vary from year to year and from institution to institution based on a number of factors, some of which the institutions have no control over.

Regent Arenson asked if there were similar numbers relating to students who participate in the College Bound program. Mr. Coulter responded affirmatively. He said the issuance of the College Bound Program vouchers go to 7th to 12th graders. A data base is maintained of all the students contacted through the College Bound Program to identify students when they enroll as being eligible for the IMAGES \$3,500 amount.

Regent Arenson said that when he talks about focusing on underrepresented minorities, he does not mean that all minorities are underrepresented. He asked if the institutions can channel more of the IMAGES funds in the direction of underrepresented minorities in order to get more parity. The universities were not doing a good job in that area. He questioned why the funds are not flowing more evenly.

Mr. Coulter stated that the Iowa Code describes how the program operates. It does not give leeway to do the channeling suggested by Regent Arenson. IMAGES funds are available to the four identified minority groups. If a person has a College Bound voucher and comes to the university, the student cannot be turned aside. He said there is some leeway through the university's recruitment efforts targeted to specific groups. University of Iowa officials put more effort into reaching African Americans, Hispanics and Native Americans because those individuals are the most challenging to recruit. University officials feel that one of the major problems in increasing the numbers has to do with the recruitable pool in the state of Iowa, which is approximately 50 students in a year. In 1997 the University of Iowa enrolled ¼ of those recruitable students.

Regent Arenson said he was not buying into that argument. The University of Iowa is a national school. Its reach is broader than the state of Iowa. He did not agree with the numbers.

Mr. Coulter noted that the College Bound Program and IMAGES grants are restricted to Iowa residents. Regent Arenson said he understood that.

Regent Smith asked if the University of Iowa was tracking students from the 7th grade. Mr. Coulter responded that the data base at the University of Iowa tracks students from grade school. The IMAGES program data base tracks students from 7th grade.

Regent Smith asked if there was any way to work with K-12 districts to support the tracking system so the universities know when the students are lost.

Mr. Coulter responded that there is not a system in place that provides for the public schools to report to the Regent universities by student's name and ethnic minority. There is not a system in place that would allow identification specifically of the minority students.

Regent Smith stated that all institutions had noted particular areas where they recruit. She said the urban net cities were not identified and it seemed those would be good places to recruit. Mr. Coulter said University of Iowa officials hope to do better at that.

Regent Arenson noted that at the University of Iowa in 1998-99 IMAGES grants went to 60 African American students, 40 Hispanic students, 134 Asian students, and 23 Native American students. Is that the best they can do?

Mr. Coulter said those were the number of recipients of IMAGES grants. When the university ran out of IMAGES money, 150 additional students were not able to be funded. When the \$630,000 allotted to the University of Iowa is awarded, that is the end of it.

Regent Smith thanked the institutions for the recent information that had been submitted to the Board Office. She said the data was quite revealing. She had great concern looking at the trend lines about the Regents diversity efforts. She hoped very soon to "roll their sleeves up" and get started. She asked that institutional heads meet with the Diversity Study Group some time in January to review the numbers and strategies. She expressed appreciation to institutional officials for their efforts, noting that everyone is committed to issues of diversity. She said the Regents want to support the institutions and will do what they can in that regard.

Regent Arenson asked University of Northern Iowa officials to address the issue of distribution of IMAGES recipients. Assistant Director Morrow responded that University of Northern Iowa's distribution of IMAGES recipients is proportional to the minority students on campus.

Regent Arenson questioned whether some of those students might be on campus because they have received IMAGES awards. Assistant Director Morrow stated that university officials work with students to make sure they have applied for the program. University of Northern Iowa awards IMAGES grants only up to \$2,000 and the amount of award has to fit into the student's financial need. IMAGES grants are only awarded to those students who have financial need.

Regent Arenson stated that the University of Northern Iowa has far fewer African American students on campus but it has more IMAGES recipients than the other universities. Ms. Morrow said the University of Northern Iowa does not single out any group; the grants are awarded all the same. The awards are granted on a first-come first-served basis. Incoming freshmen with vouchers receive IMAGES funds first and then those students without vouchers receive the funds.

Ms. Morrow thanked the Regents for their continued support of this program. She noted that students are turned away every year.

President Koob said there was not a simple answer. The University of Northern Iowa recruits almost entirely in state. Its enrollment probably reflects the actual population in the state of a particular minority group. There is no statistical variation from the Iowa population to the population on campus. Decisions have to be made on what else can be done. He noted that the enrollments on the individual campuses reflect the nature of the missions.

Regent Arenson asked if more resources would help. President Koob responded that the conclusion on campus is that the only way to make a significant difference is to increase the number of scholarship dollars targeted to a specific group. There is a limited number of dollars. He felt it would not be wise to take dollars away from Iowa citizens to recruit out of state. More resources would make a difference.

Regent Kelly asked if in recruiting minority groups do university officials know if those students want to be teachers as much as do other groups of students. President Koob responded that he did not have statistical data available to him to answer that question. He noted that type of information is available through the ACT and SAT examinations. A determination could be made of what educational areas are being selected by a particular group.

Regent Smith stated that the University of Northern Iowa has a program to encourage and recruit minorities into teaching careers. She said it would be interesting to look at the number of dollars attributed to that program and the yield from those efforts.

Regent Arenson stated that, as a Board, the Regents have a great deal of work to do in this area. He was not convinced that the Regents are challenging the universities sufficiently in terms of recruiting and retaining underrepresented minorities. He hopes they will clarify the policy with a new policy in order to make progress.

Regent Smith noted that one institution has been successful in recruiting Native Americans. All of the institutions have been successful in recruitment and retention of minority athletes.

Regent Arenson stated that if the institutions can recruit African American athletes and can graduate those students at a rate that is close to the average

graduation rate, he could not understand why the same cannot be done with other students.

ACTION: President Newlin stated the Board received the annual reports, as presented, by general consent.

PRELIMINARY APPROVAL OF FEES AND MISCELLANEOUS CHARGES.

The Board Office recommended the Board give preliminary consideration to the proposed fees and miscellaneous charges for FY 2000, as presented, with final action to be taken by the Board at its January meeting.

Each year, the Board reviews and approves fees and miscellaneous charges for the coming academic year after it has acted upon full-time tuition rates in the fall. The Board authorizes all institutional or college-wide fees over \$1 per semester and all department fees over \$10 per semester prior to the initiation of new student fees or increases in existing fees. (Board of Regents Procedural Guide, Section 7.24.A) Pursuant to Section 262.9 (18) of the Code of Iowa, a 30-day notice is required prior to final adoption of miscellaneous fees by the Board.

This review and approval of fees and miscellaneous charges is consistent with the Board's strategic plan. The Board provides effective stewardship of the institutional resources; advocates for the resources needed to provide access to educational, research, and service opportunities; and implements policies regarding distance education.

Fees and miscellaneous charges include both tuition-related and non-tuition-related charges. In each category, students pay only for fees and miscellaneous charges that apply to them, with variances in type and amount dependent on each student's program, needs, and interests.

Tuition-related fees include those for extension and correspondence courses, workshops, and Lakeside Lab. The universities propose increases in tuition-related fees comparable to the 4.5 percent tuition increase approved by the Board in October 1998. The following increases were proposed: correspondence study (4.8 percent due to rounding of small numbers), developmental courses (4.5 percent), extension courses/continuing education (4.3 percent and 4.5 percent), hospital certificate technology programs (4.5 percent), the Lakeside Lab (4.5 percent), summer camp (4.5 percent), summer independent study (4.5 percent), summer law school (7.6 percent and 9.4 percent), weekend MBA courses (4.3 percent), and workshops/telecourses (4.5 percent).

Non-tuition-related fees are for specific services and materials such as course catalogs, returned check charges, application fees, and delivery of distance education. Increases were proposed for dentistry (University of Iowa), thesis fees (University of Iowa and Iowa State University), transcripts (University of Iowa), installment payment plan (Iowa State University), and microfilm fee for doctoral dissertations (University of Northern Iowa).

Fees and miscellaneous charges reported in this memorandum do not include 1) Regent-wide mandatory student health fees and computer fees that were approved by the Board in October with the full-time tuition rates; 2) student activity fees, which are developed by each university in consultation with its students and brought to the Board for approval in May; and 3) course fees for payment of materials used, fees that represent returnable deposits, fees assessed for damage or breakage by individual students, and fees assessed to pay for services external to the university (e.g. fraternity/sorority fees).

Universities officials requested to add a few new fees and miscellaneous charges and delete fees for services no longer provided.

The University of Iowa and Iowa State University, as part of their distance education instruction, assess course delivery fees associated with specific costs of providing some off-campus courses. Increases in fees and miscellaneous charges related to the expense of providing distance education are proposed for the RN to BSN Completion Program at the University of Iowa. Iowa State University officials proposed a new per credit course/continuing education fee which combines the rate of on-campus tuition and a cost-based delivery fee for the Masters of Public Administration (MPA) program and the Masters of Education – Educational Leadership (MEEd EL) program.

University of Northern Iowa officials requested new charges for Perkins Loans (collection letters, credit bureau files, returned direct debits, and late payment fees) and returned direct debits. Iowa State University officials requested a change in its refund schedule for reduced load to match the schedule currently used by both the University of Iowa and the University of Northern Iowa. Iowa State University officials requested to delete placement service fees.

Executive Director Stork reviewed the information provided in the docket memorandum. He noted that the recommended fees and charges did not reflect any mandatory university-wide fees which the Board approves when it considers tuition. There were some distance education course fees requested by the University of Iowa and Iowa State University, which he described. He asked to correct the impression that the RN to BSN completion program fee had a 100 percent increase. It was a new composite fee, part tuition-related and part delivery. He noted that the Board members had some discussion in October in terms of distance education charges. Those charges were being presented to the Board for its first consideration. The Board Office has conferred extensively with the institutions. Institutional officials have done quite a bit of work consulting with those who would be affected by the distance education fees. He noted that the fees reflect the demand and what the market will bear.

President Coleman stated that she was pleased with the proposals. She noted that Dean Dreher had previously spoken with the Board about the completion program for RNs who have full-time jobs. Many hospitals are interested in paying the fees for the nurses. There is much excitement about the program, which meets a growing need in the state. Likewise, the evening MBA program is also well received by students and employers.

President Jischke stated that Iowa State University officials have been following the policy he espoused a couple of months ago that students at a distance be charged the nominal in-state tuition charge plus a fee for delivering at a distance.

Regent Arenson asked if the new proposed fees for the MPA and MEd EL are solely for education off campus. Provost Kozak stated that it was not a new fee in the case of the MPA. University officials are extending the locations where the program is offered. The \$56 fee is a new delivery fee for the MPA and ME programs and is not applied to the on-campus program.

ACTION: President Newlin stated the Board, by general consent, gave preliminary consideration to the proposed fees and miscellaneous charges for FY 2000, as presented, with final action to be taken by the Board at its January meeting.

Regent Pellett noted that the Board of Regents still does not have a clear-cut policy on the cost of distance education. The Board needs to take a strong look at how it charges for distance education; otherwise, it will get willy nilly fees.

Executive Director Stork responded that with regard to how distance education is evolving and what fees are appropriate, over the course of the next few months the Board Office will be conversing with the universities. Some research has been done nationally and charges are all over the board. Perhaps a year from now there will be some comparable figures.

Regent Arenson asked if the Regent universities have a differential in tuition between on- and off-campus programs. Executive Director Stork said they do not.

Regent Arenson asked if the fees were the instruments to adjust for the cost of distance education. Executive Director Stork responded that fees were the differential cost for distance education at this time.

Regent Arenson stated that when the Board implemented the policy on distance education there was agreement that university officials would come back to the Board regarding assessment of the additional costs of distance education courses. One of the decisions the Board will have to make is whether to continue to use fees or tuition differentials for off-campus courses.

President Newlin said the comments were well taken. The Board Office will do the study and come back with a report to the Board.

EXECUTIVE SESSION. President Newlin requested that the Board enter into closed session pursuant to the Code of Iowa section 21.5(1)(c) to discuss a matter with counsel which is either in litigation or where litigation is imminent.

MOTION: Regent Arenson moved to enter into closed session. Regent Fisher seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arenson, Fisher, Kelly, Lande, Newlin, Pellett, Smith.
NAY: None.
ABSENT: Kennedy.

MOTION CARRIED.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 11:04 a.m. on December 3, 1998, and adjourned therefrom at 11:32 a.m. on that same date.

REPORT OF THE BANKING COMMITTEE. (a) General Report. The Board Office recommended the Board accept the report of the Banking Committee.

President Newlin presented the report of the Banking Committee, on behalf of Regent Kennedy. He said the Banking Committee received quarterly investment and cash management reports for the endowment funds, approved modification of the Iowa State University FY 1999 audit plan, and had discussion relative to the potential employment of the international investment manager Sanford Bernstein. He asked Director Elliott to recap the discussion regarding Sanford Bernstein's compliance with the Board of Regents' investment policy.

Director Elliott stated that at the November Board meeting the Board approved the selection of Sanford Bernstein as the Board's international equities fund manager. During review of Sanford Bernstein's documents, the Ahlers law firm found that the commingled fund product was not in compliance with the Board's investment policy. The recommendation of the Banking Committee was to work with Sanford Bernstein to determine whether a separate account can be established. If there is an impasse, the Banking Committee recommended the Board authorize its representatives to work with Putnam Investments, to transition from Walter Scott.

MOTION: Regent Arenson moved to receive the report and adopt the recommendations of the Banking Committee. Regent Lande seconded the motion. MOTION CARRIED UNANIMOUSLY.

(b) Preliminary Resolution for the Sale of up to \$3,600,000 Parking System Revenue Refunding Bonds, Series SUI 1999A and \$11,000,000 Parking System Revenue Bonds, Series SUI 1999B. The Board Office recommended the Board adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$3,600,000 Parking System Revenue Refunding Bonds, Series S.U.I. 1999A, and \$11,000,000 Parking System Revenue Bonds, Series S.U.I. 1999B.

The Board was asked to adopt a resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$3,600,000 refunding revenue bonds and \$11,000,000 revenue bonds for the University of Iowa Parking System. The refunding bonds would pay the outstanding principal on the 1988 Series Parking System Bonds. The revenue bonds would finance a portion of the costs of constructing the Newton Road Parking Facility project, which is a component of the Capital Plan for the Health Sciences Campus.

The outstanding principal on the 1988 bonds, all of which have an interest rate of 6 percent, is \$3,525,000. Annual debt service payments for the refunding bonds (Series 1999A) are estimated at approximately \$950,000 compared to current payments of approximately \$988,000. The refunding bonds will be paid out on July 1, 2002, which is the same date as was scheduled for the 1988 bonds. The refunding is thus projected to save \$150,000, with a present value savings of approximately \$138,600. Present value savings as a percentage of refunded debt service are estimated at 3.5 percent.

The Board approved the schematic design, a project description, and a project budget for the Newton Road Parking Facility at its June 1997 meeting. At its September 1998 meeting, the Board approved an increase in the project budget and a reimbursement resolution which permitted the university to be reimbursed from future revenue bond issues for the project. The construction contract for the project was awarded in July 1998.

The Series 1999B bonds for the Newton Road Parking Facility would be issued for a period of 20 years. Annual debt service payments are estimated at approximately \$850,000.

Debt service payments for the Series 1999A and Series 1999B bonds would be paid from parking system revenues. The university's Parking System is a self-supporting operation.

MOTION:

Regent Fisher moved to adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$3,600,000 Parking System Revenue Refunding Bonds, Series S.U.I. 1999A, and \$11,000,000 Parking System Revenue Bonds, Series S.U.I. 1999B. Regent Lande seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arenson, Fisher, Kelly, Lande, Newlin, Pellett, Smith.
NAY: None.
ABSENT: Kennedy.

MOTION CARRIED.

REPORT ON AFFILIATED ORGANIZATIONS. The Board Office recommended the Board receive the reports on the following affiliated organizations:

- SUI Alumni Association
- SUI Facilities Corporation
- SUI Foundation
- SUI Oakdale Research Park
- SUI Research Foundation
- SUI Student Publications, Inc.
- ISU Agricultural Foundation
- ISU Alumni Association
- ISU Foundation
- ISU Iowa 4-H Foundation
- ISU Memorial Union
- ISU Press
- ISU Research Foundation
- UNI Alumni Association
- UNI Foundation

Affiliated organizations at the University of Iowa, Iowa State University, and the University of Northern Iowa extend the outreach of the universities, enrich campus experiences, and comprise a wide variety of special activities and interests. These organizations are required to provide annual reports to the Board of Regents for docketing within six months following the end of their fiscal year. However, any irregularities or significant issues identified by auditors are brought to the Board's attention immediately.

The fifteen Regent affiliated organizations listed above have fiscal years ending June 30. Independent auditors reported that the financial statements of the affiliated organizations for the fiscal year ended June 30, 1998, were presented fairly in all material respects. The ISU Memorial Union reported an operating loss for FY 1998 of \$408,346.

President Coleman stated that the University of Iowa Foundation had seen significant changes this year including a leadership change with the retirement of Darryl Wyrick. She was pleased that the Foundation appointed Michael New to lead the Foundation into a great future. In the last year the Foundation moved into the Levitt Center, a privately-financed building. Overall, fund raising was very successful this year. She said the Foundation is in the planning stages for a major comprehensive campaign.

ACTION: President Newlin stated the Board received the reports on the affiliated organizations, as presented, by general consent.

BOARD OFFICE PERSONNEL TRANSACTIONS. The Board Office recommended the Board approve personnel transactions, as presented.

Appointment: DEBRA HENDRICKSON as Associate Director of Business and Finance, effective December 14, 1998, at an annual salary of \$60,000 plus the usual fringe benefits.

ACTION: The personnel transactions were approved, as presented, on the consent docket.

STATUS REPORT ON BOARD OFFICE BUDGET. The Board Office recommended the Board receive the report.

Projected expenditures remain at the same level as last month. The expenditures are expected to be close to the budgeted amount for fiscal year 1999.

ACTION: This report was received on the consent docket.

TIAA-CREF CASHABILITY, REPORT AND POLICY REVISION. The Board Office recommended the Board a) approve a six-month extension of the TIAA-CREF pilot program which permits cashability/transferability of CREF accounts for former employees of the Board of Regents; and b) revise the requirements of the program—

- to eliminate the pilot program requirement that cashability/transferability be available only after a separation from employment of at least five years; and
- to require that no employee retiring pursuant to the pilot program could return, for a period of three years, to service at a Regent institution in a position providing retirement benefits.

TIAA-CREF Pilot Program Extension

In September 1997 the Board approved a one-year pilot program effective November 1997 to permit former employees who had been separated from service with a Regent institution at least five years, who had attained the age of 55 years, and who had selected TIAA-CREF as their retirement vendor to move their retirement funds from CREF to a vendor and product of their choice.

The one-year pilot program concluded on November 1, 1998. As approved by the Board, institutions were required to evaluate the program and report on its operation at its conclusion.

Information is not readily available for this evaluation though the institutions are working to secure such information for a report later this winter.

Institutional officials perceive a need to continue a revised pilot program. It was proposed that the revised pilot program be effective from December 15, 1998, to June 15, 1999.

Revised Pilot Program

The first revision proposed would remove the requirement that a former employee must have been separated from service at the Regent institution for at least five years. The institutions believe that allowing staff to use the full flexibility provided by CREF's rules would benefit both the institutions and staff. The Board Office believes that this removal, on a pilot basis, may provide more helpful information in making a recommendation to the Board.

Of particular importance to the institutions is the availability of special tax treatment of persons selecting a ROTH IRA in calendar 1998. That special treatment permits those who transfer funds to a ROTH IRA by December 31, 1998 to spread the tax liability resulting from such a transfer across four calendar years.

The second revision proposed would require that a person retiring under the extended pilot program could not be employed for three years by a Regent institution in a position paying retirement benefits. This will help ensure that the pilot program is available only to those staff who are retiring in good faith.

The Office of General Counsel at the University of Iowa reviewed the proposal to extend the pilot program and finds that it does not adversely impact the Board's 403b tax qualified retirement plan. Counsel for TIAA-CREF also reviewed the proposed revised qualifications and finds them satisfactory.

Further consultation with counsel and research concerning comparative data is needed to support a recommendation for a change on a permanent basis.

Implementation of this change would be without cost to the Board of Regents and its institutions.

Director Wright stated that the evaluation criteria had not been completed. In order to meet the needs of the institutions, the Board Office recommended that a revised pilot program continue through June 15, 1999. He noted this was important because of the Roth IRA selection option.

Regent Lande stated that he would prefer to make a decision after the Board receives the results of the Board Office study; however, he did not want to deny people the opportunity regarding the Roth IRA. He questioned the 3-year prohibition against rehiring personnel in a position paying retirement benefits and questioned why the prohibition was not forever.

Director Wright responded that one reason the prohibition was not forever was that the institutions sometimes get caught in a bind and the only option is to hire someone who is retired.

Regent Arenson said he applauded this effort but questioned whether it goes far enough. He believes that fundamentally personnel at the universities should have access to the funds in order to make their own investment decisions. He asked why this program was being structured just for those who have retired and

left the university. Is cashability available for someone who is at the university? Is that something the Board can authorize if it chooses?

Director Wright asked that Richard Saunders, University of Iowa, address the question.

Assistant Director Saunders responded that the Board can authorize cashability if it chooses. Historically, the Board of Regents rules have excluded that from happening. There is a desire to not have this program viewed as a short-term savings vehicle.

Regent Arenson asked if most institutions allow former employees to have cashability.

Assistant Director Saunders responded that the majority of institutions allow cashability. Only 2 of the 20 institutions studied have a restriction on cashability.

Regent Arenson stated that if the Regents want the institutions to reach the desired quality levels, they have to be competitive. He was glad the Board was taking a step in that direction. He would like to see the Board change its policy to make cashability available generally.

Executive Director Stork said the Board would address this issue again in July. The Board Office had no objective data to present to the Board at this meeting. A fair amount of information is available which may support cashability but the Board Office was not in a position to present information at this time.

Regent Arenson said he would support a more liberal approach.

Regent Pellett asked how retirees or former employees of the universities know this type of program is available to them. Vice President Madden stated that at Iowa State University, university officials communicate in a newsletter which deals specifically with benefits. There is also a specific newsletter for the retirement community. The university's Web site will also have the information. He noted that university officials support expanding this program. One of the struggles is how to collect meaningful data. He stated that cashability is a misnomer. The majority of staff want to transfer their funds into another tax-sheltered investment vehicle. He concluded by stating that university officials will ensure that all individuals affiliated with the university are aware of the program.

President Coleman said she added her strong support to going in this direction in order to align the policy with what is permitted by TIAA-CREF. She hoped that as the institutions go through their budget planning this issue could be revisited. With regard to the limitation on the hiring back of employees, she said university officials hope to involve recently-retired professors more actively within the university community. She opposed the restriction on rehiring because she said she could predict some instance in the future when university officials would want to utilize the expertise of a retired individual. She asked that the Board reconsider that prohibition as the program is being evaluated.

Regent Lande said he was unwilling to provide a special benefit for people who say they are retiring. He was opposed to rehiring an individual to a position that pays retirement.

Regent Arenson asked if the word "staff" referred to employees of the university. Executive Director Stork responded affirmatively.

MOTION:

Regent Lande moved to a) approve a six-month extension of the TIAA-CREF pilot program which permits cashability/transferability of CREF accounts for former employees of the Board of Regents; and b) revise the requirements of the program to eliminate the pilot program requirement that cashability/transferability be available only after a separation from employment of at least five years; and to require that no employee retiring pursuant to the pilot program could return to service at a Regent institution in a position providing retirement benefits. Regent Fisher seconded the motion.

Regent Pellett said there is another group of former employees who may not be of retirement age. Director Wright said the program was intended for those former employees who are age 55 or over.

Regent Pellett asked if a person is employed by a university for a period of time and wants to transfer their funds from TIAA-CREF, does doing so eliminate the individual from ever being employed by the university?

Executive Director Stork reiterated that the issue will be revisited in greater detail six months from now.

Regent Arenson asked for a reaction to Regent Pellett's question from the institutions.

President Coleman asked what if James Van Allen wanted to retire and university officials wanted him to come back to do something for the university? She would like to be able to do that.

Regent Lande stated that employees have choices to make in life including how they will treat their retirement funds.

Regent Arenson noted that the administration of each university is going to regulate this policy. If someone qualifies and meets the requirements, it is up to the administration whether to rehire an individual.

President Coleman stated that Sam Becker retired twice. University officials begged him to come back. When he did come back, the university paid him retirement benefits, which she said was the right thing to do. The way the policy is structured, the administration is left up to the institutions. If the need is great there have been circumstances where the proposed provision would have hindered the university.

Regent Lande said he would accede to the universities' position because the Board Office recommendation was only for a 6-month period. He said it was important to recognize that the Regent universities have the richest retirement program of any public employee retirement program.

WITHDRAWAL OF MOTION: Regents Lande and Fisher agreed to withdraw the motion on the floor.

MOTION: Regent Lande moved to a) approve a six-month extension of the TIAA-CREF pilot program which permits cashability/transferability of CREF accounts for former employees of the Board of Regents; and b) revise the requirements of the program to eliminate the pilot program requirement that cashability/transferability be available only after a separation from employment of at least five years; and to require that no employee retiring pursuant to the pilot program could return, for a period of three years, to service at a Regent institution in a position providing retirement benefits. Regent Fisher seconded the motion.

Regent Arenson referred to Regent Lande's statement that the Regent universities have the richest retirement program of any public employee retirement program, and said the program was not "rich" in the sense of other universities throughout the nation.

President Jischke stated that the Regents' retirement program is nationally competitive but it is not beyond the kind of retirement programs found at other universities. He then asked to comment on the earlier discussion about the proposal made by Regent Lande. He said Iowa State University officials could "live" with the proposal.

Regent Arenson asked what if the 3-year requirement were removed and university officials were asked to advise the Board every time they want to hire someone who had cashed out of the retirement program.

Regent Lande said he believed there should be a more reasoned debate.

Regent Arenson said the information that disturbs him is that most universities offer cashability and the Regent universities do not. As the months go by he thinks the policy harms the universities.

Regent Kelly stated that the presidents of the universities should be able to hire back someone who they want strongly, without any restrictions.

VOTE ON THE MOTION: Motion carried unanimously.

BOARD MEETINGS SCHEDULE. The Board Office recommended the Board approve the Board meetings schedule.

January 20, 1999	Telephonic Conference Call	
February 17-18, 1999	University of Iowa	Iowa City
March 17-18, 1999	Iowa State University	Ames
April 21, 1999	Iowa Braille and Sight Saving School	Vinton
April 22, 1999	University of Northern Iowa	Cedar Falls
May 19-20, 1999	Iowa School for the Deaf	Council Bluffs
June 16-17, 1999	University of Iowa	Iowa City
July 14-15, 1999	Iowa State University	Ames
September 15-16, 1999	University of Northern Iowa	Cedar Falls
October 20-21, 1999	University of Iowa	Iowa City
November 17-18, 1999	Iowa State University	Ames
December 15-16, 1999	(To be determined)	Des Moines
January 19, 2000	Telephonic Conference Call	
February 16-17, 2000	University of Iowa	Iowa City
March 15-16, 2000	University of Northern Iowa	Cedar Falls
April 19-20, 2000	Iowa School for the Deaf	Council Bluffs
May 17, 2000	Iowa Braille and Sight Saving School	Vinton
May 18, 2000	University of Northern Iowa	Cedar Falls
June 21-22, 2000	Iowa State University	Ames
July 19-20, 2000	University of Northern Iowa	Cedar Falls
September 13-14, 2000	University of Iowa	Iowa City
October 18-19, 2000	Iowa State University	Ames
November 15-16, 2000	University of Iowa	Iowa City
December 20-21, 2000	(To be determined)	Des Moines

ACTION: The Board meetings schedule was approved, on the consent docket.

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

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Thursday, December 3, 1998.

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

Register of Personnel Changes for October 1998.

The register including the following appointments:

John Klopp as Director of Purchasing effective November 1, 1998, at an annual salary of \$70,000.

Linda Nolf Everett as Associate Director of the University of Iowa Hospitals and Clinics for Nursing Services and Patient Care effective January 1, 1999, at an annual salary of \$151,000.

Jordan L. Cohen as Dean of the College of Pharmacy effective March 1, 1999, at an annual salary of \$185,000.

ACTION: The personnel transactions were approved, as presented, on the consent docket.

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

PROJECT DESCRIPTIONS AND BUDGETS

Utilities—East Campus Steam Line Cross Connection

\$2,090,000

Source of Funds: Utilities Enterprise Improvement and Replacement Fund

Preliminary Budget

Construction	\$ 1,666,071
Design, Inspection and Administration	
Consultant Services	148,710
Design and Construction Services	108,780
Contingencies	<u>166,439</u>
 TOTAL	 <u>\$ 2,090,000</u>

University officials requested approval of a project description and budget in the amount of \$2,090,000 to replace two sections of steam and condensate lines on the east campus. The project will include the installation of utility lines from the northeast corner of the Iowa Memorial Union and south approximately 250 feet, and from a location at the T. Anne Cleary Walkway west to Madison Street.

The steam and condensate lines to be replaced provide a critical cross connection between the two major branches of the east campus steam distribution system. The existing steam lines are in very poor condition and in need of replacement.

Hillcrest Residence Hall—Renovate Restrooms—Phase 4

\$757,000

Source of Funds: Dormitory Improvement Reserves

Preliminary Budget

Construction	\$ 596,200
Design, Inspection and Administration	
Consultant Services	74,650
Design and Construction Services	26,050
Contingencies	<u>60,100</u>
 TOTAL	 <u>\$ 757,000</u>

University officials requested approval of a project description and budget in the amount of \$757,000 for Phase 4 of the project to renovate the restrooms in the Hillcrest Residence Hall. The university has proceeded with Phases 1 through 3 which have renovated the restroom and shower areas in the north and south wings and center section of the building, and constructed a new restroom on the ground floor. The Phase 4 project will renovate and expand the existing restrooms and shower rooms in the east wing of the building. The facilities will be brought up to current Uniform Building Code and Americans with Disabilities Act design standards. In addition, this work will provide space for construction of a new

student dormitory room on the east ground floor which is also included in the project. The project area totals approximately 2,100 square feet.

University officials reported that there is one additional phase of restroom renovation work planned for the Hillcrest Residence Hall. Work in the west wing of the facility will be undertaken in this phase.

Bowen Science Building—Remodel Room 1-251, Anatomy Package 8
\$698,000

Source of Funds: College of Medicine Gifts and Earnings, State
Appropriations, and/or Income from Treasurer's
Temporary Investments

Preliminary Budget

Construction	\$ 558,500
Design, Inspection and Administration	
Consultant Services	32,000
Design and Construction Services	51,600
Contingencies	<u>55,900</u>
 TOTAL	 <u>\$ 698,000</u>

University officials requested approval of a project description and budget in the amount of \$698,000 to remodel a third area in the Bowen Science Building for the Department of Anatomy. The project area includes approximately 2,400 square feet of space and will include the remodeling of laboratory room 1-251, and the development of a conference room and five office areas.

Hillcrest Residence Hall—Replace Windows—East-West Wing
\$427,000

Source of Funds: Dormitory Improvement Reserves

Preliminary Budget

Construction	\$ 357,000
Design, Inspection and Administration	34,300
Contingencies	<u>35,700</u>
 TOTAL	 <u>\$ 427,000</u>

University officials requested approval of a project description and budget in the amount of \$427,000 to replace 350 double-hung, wooden-frame windows in the east-west wing of Hillcrest Residence Hall. The windows, which have deteriorated to the point where repairs are no longer feasible, pose a safety hazard, waste energy, and contribute to occupant discomfort.

The project will include removal of the existing windows and installation of double-hung insulated glass windows equipped with aluminum thermal break frames. In addition, air conditioning units will be installed in a portion of the windows. The new windows will be styled to preserve the character of the building.

Medical Education and Biomedical Research Facility June 1997 Budget
\$47,135,000

Source of Funds: State Appropriations, Revenue Dec. 1998 Budget
\$56,852,000

Bonds, and/or College of Medicine
 Gifts and Earnings

Project Budget

	Initial Budget <u>June 1997</u>	Revised Budget <u>Dec. 1998</u>
Construction	\$ 37,708,000	\$ 47,869,000
Design, Inspection and Administration	5,420,000	6,790,000
Art in State Buildings	236,000	236,000
Contingency	<u>3,771,000</u>	<u>1,957,000</u>
 TOTAL	 <u>\$ 47,135,000</u>	 <u>\$ 56,852,000</u>

University officials requested approval of a revised project budget in the amount of \$56,852,000, an increase of \$9,717,000. The revised budget will allow completion of the Cancer Research Center to be included in the construction contract award.

The initial project budget of \$47,135,000 included construction of the east wing of the building, which would house the Cancer Research Center, as shell space in response to budgetary constraints. It was the university's expectation that a successful private fund raising campaign would allow the interior construction of this area to proceed prior to completion of the project.

At the July 1998 Board meeting, Dean Kelch of the College of Medicine indicated that the College's fund raising campaign was progressing well and that the university was prepared to recommend completion of the Cancer Research Center as part of the overall project. As a result, completion of the east wing space was incorporated into the construction contract Base Bid. The bid documents provided deduct alternates which would allow the university to delete portions of the Cancer Research Center if the bids were not in line with cost estimates. If the bids were acceptable, the additional available project funds would allow the university to revise the project budget to complete the east wing space.

Six bids were received for the construction contract on November 17, 1998. The low base bid as submitted by Knutson Mid-America Construction Services in the amount of \$40,300,000 was approximately 9.5 percent below the engineering estimate of \$44,522,000. The six bids had a range of approximately 16.7 percent.

University officials recommended award of the construction contract to the low bidder, Knutson Mid-America Construction, for the Base Bid plus Alternate #17 in the amount of \$130,000 for a total award of \$40,430,000, which is approximately 9.3 percent below the engineering estimate of \$44,559,500 for the Base Bid plus the alternate. The work included in Alternate #17 will provide for the installation of higher quality ceilings in all laboratories on the second through the fifth floors. These ceilings should require considerably less maintenance over the life of the building.

University officials reported that Knutson Mid-America did not indicate a specified dollar amount in its bid security. The university received a letter of protest from the second low bidder, McComas-Lacina Construction Company, indicating that the low bid should not have been opened due to a non-responsive bid bond. The Base Bid submitted by McComas-Lacina exceeded the low bid by more than \$1,000,000.

Immediately following the bid opening, the university contacted Knutson Mid-America's surety company, Reliance Insurance Company, who verified that Knutson Mid-America had secured coverage in the amount of five percent of its bid as required by Iowa law and Board procedures. A representative of Knutson Mid-America Construction Company delivered a completed surety bond to the university within an hour of the bid opening.

The Board Office has consulted the Attorney General's Office for review of the bidding procedure, and with the advice of counsel the Board Office

recommended award of the construction contract to Knutson Mid-America Construction Company.

Regent Arenson questioned whether the additional funds for this project will come from private fund raising. Vice President True responded that the additional funds would come from a multitude of sources.

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University officials presented six 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

Art Building—Phases I and II \$302,385

Herbert Lewis Kruse Blunck, Des Moines, Iowa/
Steven Holl Architects, New York, NY

University officials requested approval of the selection of Herbert Lewis Kruse Blunck, in association with Steven Holl Architects, to provide design services for the project. In addition, university officials requested approval to enter into an agreement with the project architects in the amount of \$302,385 for programming, master planning and preliminary schematic design services.

The university received expressions of interest from 17 firms to provide design services for the project. A group of university staff and administrators, including representatives of the School of Art and Art History and the College of Liberal Arts, selected the following design teams for interviews with the Architect Selection Committee:

Carlos Jimenez Studio, Houston, TX/Rohrbach Carlson Architects, Iowa City, IA
Graham Gund Architects, Cambridge, MA/OPN Architects, Cedar Rapids, IA

Gwathmey Siegel and Associates, New York, NY/Brooks Borg Skiles, Des Moines, IA

Moore Ruble Yudell Architects and Planners, Santa Monica, CA/Neumann Monson,

Iowa City, IA

Steven Holl Architects, New York, NY/Baldwin White Architects, Des Moines, IA

The five teams were interviewed by the Architect Selection Committee with representatives of the School of Art and Art History, the College of Liberal Arts, and the Board Office. The committee recommended the selection of the design team of Steven Holl Architects/Baldwin White Architects. The committee determined that all five of the design teams were capable of undertaking the project, but unanimously recommended the selection of the Steven Holl/Baldwin White team based on the experience of Steven Holl Architects with similar projects and the very high level of approval received for the firm's design work.

Subsequent to the interviews, Baldwin White Architects withdrew from the proposed arrangement due to difficulties in reaching an agreement with Steven Holl Architects on how to share responsibilities and contract for the project. The university has agreed to accept Baldwin White's decision with no prejudice toward the firm's present or potential relationships with the university.

Steven Holl Architects subsequently negotiated an alternative arrangement with the architectural firm of Herbert Lewis Kruse Blunck of Des Moines, Iowa. Given the university's long and successful record with Herbert Lewis Kruse Blunck, university officials recommended the selection of the team of Herbert Lewis Kruse Blunck/Steven Holl Architects to provide design services for the project.

Utilities—East Campus Steam Line—Cross Connection

\$98,160

Stanley Consultants, Muscatine, Iowa

University officials requests approval to enter into an agreement with Stanley Consultants to provide planning and design services for the project. The agreement provides for a total fee of \$98,160, which includes \$90,580 for basic services with reimbursable expenses not to exceed \$7,580.

Hillcrest Residence Hall—Renovate Restrooms—Phase 4

\$71,750

Rohrbach Carlson, Iowa City, Iowa

University officials requested approval to enter into an agreement with Rohrbach Carlson to provide design services for the project. The agreement provides for a fee of \$71,750, which includes a fixed fee of \$68,250 with reimbursable expenses not to exceed \$3,500.

University Hospitals and Clinics—Ambulatory Cardiovascular Procedures

\$27,600

Unit Development and Cardiology Clinic Renovation

Durrant Architects, Dubuque, Iowa

University officials requested approval to enter into an agreement with Durrant Architects to provide design services for the project. The agreement provides for the fee for basic services to be calculated at the rate of 10 percent of actual construction costs, which are estimated at \$236,000. Based on this estimate, the fee for basic services will total \$23,600. The agreement also provides for reimbursable expenses not to exceed \$4,000, for a total estimated agreement of \$27,600.

Amendments:

University Services Building
\$204,000

Amendment #1

OPN Architects, Cedar Rapids, Iowa

University officials requested approval of Amendment #1 in the amount of \$204,000 to the agreement with OPN Architects. The amendment will provide compensation for additional design services for the third floor space including programming and furniture layout.

Amendment #1 will not result in an increase in the total project budget.

Newton Road Parking Facility
\$179,858

Amendment #1

Herbert Lewis Kruse Blunck, Des Moines, Iowa

University officials requested approval of Amendment #1 in the amount of \$179,858 to the agreement with Herbert Lewis Kruse Blunck. The amendment will provide compensation for additional services which include increased construction oversight, and the re-design of the interior space due to a reduction in the size of the chillers for the cooling plant and an increase in the parking area of the facility. The amendment will also provide additional compensation for design modifications in response to utility conflicts and site constraints.

Amendment #1 will not result in an increase in the total project budget.

CONSTRUCTION CONTRACTS

Medical Education and Biomedical Research Facility

\$40,430,000

Award to: Knutson Mid-America Construction Services, Inc.,
Iowa City, Iowa

Base Bid of \$40,300,000 plus Alternate #17 of \$130,000 =

TOTAL AWARD OF \$40,430,000 (6 bids received)

University officials requested approval of the award of the construction contract to the low bidder, Knutson Mid-America Construction Services, for the base bid plus alternate #17, for a total award of \$40,430,000. This amount is approximately 9.3 percent below the engineering estimate of \$44,559,500 for the base bid plus the alternate. Six bids were received for the project. The work included in alternate #17 will provide for the installation of higher quality ceilings in all laboratories on the second through the fifth floors.

Spence Laboratories of Psychology—Connect to Chilled Water

\$375,555

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

CHANGE ORDERS TO CONSTRUCTION CONTRACTS

Engineering Building Modernization/Addition

Change Order #7 - Deduct

\$100,000

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

University officials requested approval of Change Order #7 in the deduct amount of \$100,000 to the construction contract with Mid-America Construction Company. The change order represents a gift-in-kind of finished cement for the project which is valued at \$100,000. University officials requested approval of the deduct change order with Mid-America Construction Company, the general contractor, in recognition of the delivery of the cement to the project.

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Hillcrest Residence Hall—Renovate Secondary Electrical System—Phase 3

Gerard Electric, Iowa City, Iowa

Iowa Memorial Union Parking Ramp—Facility Upgrade

Taylor Ball, Cedar Rapids, Iowa

**Consolidated Business Services Building—Materials Management—Phase
2**

Selzer-Werderitsch Construction Company, Iowa City, Iowa

MOTION: Regent Arenson moved that the Register of Capital Improvement Business Transactions for the University of Iowa be approved, as presented. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

University officials requested approval of the following lease agreements as lessor for business incubator space in the Technology Innovation Center at the Oakdale Research Park:

- Lease renewal with Breakthrough to Literacy for its use of 4,827 square feet of space at the rate of \$10,063.42 per month (\$29.30 per square foot for office space, \$4 per square foot for shipping, receiving and storage space, \$120,761 per year) for a six-month period;
- Lease renewal with Integrated Engineering Solutions for its use of 187 square feet of space at the rate of \$93.50 per month (\$6 per square foot, \$1,122 per year) for a six-month period.

University officials requested approval of the following lease agreements as lessee for the Child Health Specialty Clinics of University Hospitals and Clinics:

- Lease renewal with Spencer Municipal Hospital, Spencer, Iowa, for the university's use of 336 square feet of office space at the rate of \$150 per month (\$5.36 per square foot, \$1,800 per year) for a two-year period;
- Lease renewal with Creston Greater Community Hospital, Creston, Iowa, for the university's use of 430 square feet of office space at the rate of \$300 per month (\$8.37 per square foot, \$3,600 per year) for a one-year period.

University officials requested approval to enter into a new lease as lessee with Ken and Shirley Ranshaw for the university's use of 4,480 square feet of warehouse space located in Iowa City, Iowa, at the rate of \$1,580 per month (\$4.23 per square foot, \$18,960 per year) for a two-year period.

University officials requested approval to enter into an agreement with the City of Des Moines for the university's use of approximately 1,300 square feet of space at the Des Moines International Airport for Division of Continuing Education programs using the ICN, at the rate of \$25,000 per year for a three-year period, subject to further review of the agreement by the Attorney General's office.

Associate Director Racki said the agreement with the City of Des Moines for the university's use of space at the Des Moines International Airport is still under review by the Attorney General's office. She questioned whether the Board's preference was to approve the agreement subject to resolution of outstanding issues or to postpone approval of the agreement to another meeting.

President Newlin recommended the Board follow the recommendation of the Board Office to approve the agreement subject to review by the Attorney General's office.

MOTION: Regent Fisher moved to approve the leases, as presented. Regent Lande seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arenson, Fisher, Kelly, Lande, Newlin, Pellett, Smith.
NAY: None.
ABSENT: Kennedy.

MOTION CARRIED.

MEETING OF THE IOWA STATE BOARD OF REGENTS AS THE BOARD OF TRUSTEES OF THE UNIVERSITY OF IOWA HOSPITALS AND CLINICS. The Board Office recommended the Board receive the quarterly report on the operations of the University of Iowa Hospitals and Clinics (UIHC).

The Board of Regents, in its role as Trustees of the University of Iowa Hospitals and Clinics, was provided a quarterly report on the operations of the UIHC. Two areas covered in this report: 1) quarterly update on UIHC operations, programs, and finances; and 2) an update on the indigent patient care program.

Quarterly Update on UIHC Operations, Programs, and Finances

UIHC's operating statistics and financial performance remained strong during the first four months of fiscal year 1999 (July 1- October 31, 1998). This was achieved despite a slight decrease in total admissions (compared to the same period in 1997) which was offset by increases in surgical activity, the average length of stay by acute care inpatients, and increased numbers of patients receiving health care in ambulatory clinics as outpatients.

From July 1, 1998 to October 31, 1998:

- Admissions, totaling 14,003, declined 2 percent from the 14,284 recorded during the same period of 1997. Of total admissions, the acute care component at 7,999 declined 1.3 percent; the 158 patients admitted for treatment of chemical dependency represented a 17.9 percent increase, and the number of admitted outpatients at 5,846 was a 3.3 percent decline compared to July through October 1997.

- The case mix index, which indicates the severity of illness and complexity of care required by acute inpatients at UIHC, increased 1.1 percent. The case mix for Medicare patients declined 4.4 percent.
- The average length of acute patients' stay increased 2.8 percent to 7.43 days compared to the same four months of 1997.
- The 228,011 combined total of outpatient clinic visits to the UIHC increased 8.6 percent.
- Net revenue derived from serving paying patients at \$143,391,379 was 1.4 percent less than net revenue from paying patients during the same months of 1997. Total revenue for the four-month period of 1998 was .6 percent less than the July-October period of 1997. However, expenses increased by 4.3 percent and the operating margin percentage was 9.1 percent compared to 13.3 percent during the same four months last year.
- The amount of reimbursement to UIHC for patient care among health insurance payers continues to shift to managed care, which now comprises 24.6 percent of gross patient charges compared to 19.1 percent for the same period last year.

However, the number of managed care patients served increased even more, as follows:

Managed Care Percent Of Total	
Acute patient discharges	27%
Clinic visits	30.1%

The disparity demonstrates the reduced payment and reduced utilization UIHC experiences with the payer group.

Progress In Meeting Capital Replacement Objectives:

- Since the beginning of FY 1998-99, three major capital construction projects have been initiated. These are the Otolaryngology—Head and Neck Surgery Institute; replacement of the Medical Intensive Care Unit; and relocation and development of a state-of-the-art blood center. Each of these were approved during previous meetings of the Iowa State Board of Regents, as well as several other projects which have been initiated or completed since July, including expansion of the Hyperbaric Medicine Suite and several facilities, infrastructure and utility-related projects.

Update on the Indigent Patient Care Program

The 1998 session of the 77th Iowa General Assembly directed the 24-member Legislative Council to establish a committee to review the Indigent Patient Care Program during the interim between legislative sessions. The review was to

include the current programs and services that benefit lowans who are unable to pay for the health care they require, and also study the possibility of providing those programs and services at other locations throughout the state.

An Interim Committee composed of three members of the Iowa House of Representatives and three members of the Senate heard testimony on the subject from representatives of the University of Iowa Hospitals and Clinics, Iowa Department of Public Health, Iowa Department of Corrections, Iowa State Association of Counties, Association of Iowa Hospitals and Health Systems, and the Iowa Health System.

The Interim Committee's findings and recommendations are:

- Appoint a new subcommittee by January 25, 1999 to make recommendations by February 19, 1999.
- The new subcommittee should:
 - Review the entire spectrum of indigent patient health care
 - Review other states' programs
 - Review funding of indigent patient health care
 - Determine means of increasing patients' access to preventive care
 - Consider additional appropriations to provide local health care to indigent patients
 - Review the quota system for Iowa counties currently used in administering the Iowa Indigent Patient Care Program

Monitoring and participating, as appropriate, in this sub-committee's activities is a priority for the UIHC during the upcoming legislative session.

Mr. Yerington reviewed the operating financial measures through October 31, 1998. He said expenses are down while revenues are up. Paying patient revenue decreased by 1.4 percent. Medicare reimbursements are down 7.8 percent. He noted that the Balanced Budget Act of 1997 substantially reduces hospitals' reimbursement. Medicaid reimbursements are also down 5.4 percent. The legislature did not approve an increase in reimbursement to hospitals for the Iowa Medicaid program. There were decreases in admissions and clinic visits. Blue Cross reimbursements were about the same although there was a decrease in payment rates. With regard to the conversion from traditional products to managed care products, he said the percentage of patients with commercial insurance is down 19.7 percent. Substantial transition is taking place with more movement into managed care products. Managed care has shown significant growth -- 34.3 percent. He said the composite of all of these factors is driving the decrease in revenues.

Regent Arenson stated that UIHC officials had previously predicted a certain increase in the level of managed care patients in the next 3 to 5 years. He asked for that prediction.

Director Howell responded that the 5-year projection called for a 50 percent penetration rate. UIHC was about 1-1/2 years out from that target date with roughly 1/3 of the patients under managed care. He expects to fall short of that 50 percent projection but not by much.

Regent Fisher asked for the average operating margin of UIHC's peers. Director Howell responded that 3 percent is generally regarded as a realistic position. In Iowa, the hospitals on average are experiencing a little over 6 percent operation margin.

Regent Fisher noted that the teaching hospital at the University of Minnesota was losing money and the university no longer has its hospital.

Regent Arenson asked how UIHC officials plan to increase revenues over the next 3 to 5 years to preserve those margins. Director Howell said it is becoming increasingly clear that it will be much more difficult to generate revenues. The approach has to be to manage expense. Declining revenues were experienced last year and continue into this year.

Regent Arenson asked if managing expense will be enough to preserve the margins if an increase in revenue is not foreseeable. Director Howell responded affirmatively, noting that it was unknown what another 1-1/2 years of this continued trend will bring. He said the 3 percent operating margin is achievable with the expense reduction program.

Regent Arenson stated that as a Board the Regents have to analyze those numbers and start making plans for the future. Director Howell suggested it would be helpful when UIHC officials present the budget projections for next year if they would revisit the 5-year plan, demonstrate progress on the expense management, and also link it to previous reports on the expense management program.

Regent Arenson said that would be good. He noted that clearly if UIHC officials had not embarked on the 5-year expense management program the hospital might have been in the red.

Regent Kelly stated that increasing the number of patients was potentially the best way to increase income. He asked what was being done to increase the number of patients.

Director Howell agreed with Regent Kelly. He referred to UIHC's strategic plan which has four components. One of the components is managing value. One part of that component is maintaining quality. The second part of that is to manage markets. Part of the market research is coming to some closure about how to manage markets to ensure effective patient flow. He said UIHC officials will return to the Board and share how they are managing markets.

Regent Arenson referred to the establishment of off-site clinics and asked if the expense of getting those additional patients will exceed the additional revenues.

Director Howell responded that the goal continues to be to at least break even on revenue and expenses. He does not believe it is going to be much of a margin producer. It is too early to tell whether the initial efforts are achieving that. It will probably take 6 to 12 months before he can accurately answer that question.

Mr. Yerington stated that the operating margin has decreased. He expects it will continue to decrease throughout the year and will end up somewhere between 3 percent and 5 percent at year end. He stressed the importance of continuing efforts at managing value.

Regent Arenson asked if there is a point where because of the market the decline in revenues stops. Have UIHC officials plotted where that will happen? Mr. Yerington responded that UIHC's costs include a substantial amount of educational costs. Managed care companies choose alternative sites for patient care. Although UIHC officials negotiate strongly and try to bring societal responsibility to the equation, they are not always successful. He said that was where the landmark effort on the Board's part to establish the Medicaid education trust fund was so important. There is still another 80-83 percent of the patient population who in the future may all become managed care patients.

Regent Arenson asked if any projections have been done with respect to the status of the continuing decline of managed care reimbursement. Are they reaching the point where no one can go much lower? Mr. Yerington said no, that level has not been reached.

President Newlin referred to the five-year program to manage value. It was his recollection that the goal was \$65 million and a \$43 million reduction had been achieved. Mr. Yerington stated that by the February meeting UIHC officials should know the amount of the annual goal.

Mr. Staley referred to the patient census data and stated that in the first 4 months of this fiscal year admission are about 2 percent less than this period last year. He noted this was very much in keeping with what was expected would occur. The average length of patient stay has seen a slight increase due in part to a change in the distribution of patients. Psychiatric patient admissions are up and those are typically longer stays. The other factor is the change in the case mix. UIHC serves a much more complex patient population. He said the big growth in patient census has occurred in the off-site clinics.

Regent Arenson asked for the number of outreach clinics. Mr. Staley responded that there are a total of 253 clinics that operate in 54 communities across the state.

Regent Arenson asked if the number of outreach clinics has increased in the last year.

Mr. Staley responded that the number has gone up steadily in the last several years. Four to 5 communities have been added within the last year. Specialties have also been added.

Regent Arenson asked if most of the clinics are joint ventures. Mr. Staley responded that all are established in some way in collaboration with community providers. UIHC does not go to a community unless there is an invitation. Mr. Howell said that UIHC officials work with community providers. Typically UIHC will be asked into a community to establish a certain clinic. After the clinic is operational it is very common that the community would ask for an additional specialty.

Regent Arenson asked for the definition of managed care. Mr. Staley said it is a system that manages the financing of care of patients with an emphasis on holding down resources consumption and expenses. He noted that all of the health insurance companies now have some element of cost control. However, managed care is a very broad term that loosely incorporates a whole host of different kinds of health insurance products -- everything from HMOs to PPOs to PSOs. Each of the insurance companies has that array of products.

Mr. Staley reviewed the statistics for the managed care patient volume. While 27 percent of the patients are covered by managed care, 30 percent of the clinic patients are under managed care. UIHC is receiving less than that in terms of proportion of the revenue deriving from managed care. The general rule in accommodating managed care in hospitals is that once 30 percent or more of patients are covered by managed care contracts, hospital officials have to manage the rest of the patient population as though they are covered by managed care in order to take in enough expenses.

Mr. Staley reviewed the progress in meeting capital replacement objectives, noting that no state capital appropriations had been received since 1970 for any construction.

Director Howell stated that on October 26-30 the UIHC was surveyed by the JCAH, one of 73 regulatory groups that surveys the UIHC. Surveyors indicated that the survey went very well. A large number of hospital staff and College of Medicine faculty prepared heavily for this survey. He said he was pleased to announce that the UIHC has a new Director of Nursing and Patient Care, Linda Q. Everett. She will join UIHC full time on January 1, 1999.

Director Howell provided an update on the indigent patient care program. He stated that during the last legislative session two bills were introduced that would have had the impact of decentralizing the program. Those bills did not get out of committee. He discussed the UIHC's presentation to the interim committee reviewing the program. The UIHC's presentation stated that the program should remain as currently configured because it provides real benefit to lowans. The program is stable, provides real value and is manageable. The only opposition was presented by the Iowa Health System. He said the outcome was that a new subcommittee was to be appointed with certain tasks, which he described. Its tasks are to be accomplished essentially in a three-week period of time. UIHC officials will apprise the Board of the progress of this endeavor.

Regent Arenson asked for the percentage of patients that come from the indigent patient care program. Mr. Howell responded that 8 percent of the revenue comes from state appropriations. Ten percent of the patients are indigent patient care program patients, which is higher than the revenues.

Regent Arenson stated that the UIHC has built infrastructure to take care of these patients. In the middle of a managed care storm it seemed foolhardy to pull the plug on the indigent patient care program at UIHC. He said the timing would be terrible, not to mention the educational component.

Director Howell noted that there are other fixed costs such as information systems and building support systems.

Director Stork said he hoped that once the legislative session starts the Joint Education Appropriations Subcommittee would be involved in the study since it is responsible for the appropriation next year.

Regent Kelly said there was pressure this year for indigent care to be handled locally.

Director Howell said that has been the argument. There are a number of elements that make it more complex including fragmentation of care, how to pay for care, and transportation. He expects there will be continued attention to this matter during the next legislative session.

President Newlin thanked Director Howell and his staff for the report.

ACTION: President Newlin stated the Board received the quarterly report on the operations of the University of Iowa Hospitals and Clinics (UIHC), by general consent.

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

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Thursday, December 3, 1998.

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

Register of Personnel Changes for November 1998 that included four requests for early retirement and three requests for phased retirement.

The register included the appointment of Richard C. Seagrave as Interim Provost effective January 1, 1999, at an annual salary of \$175,000.

ACTION: The personnel transactions were approved, as presented, on the consent docket.

APPROVAL OF DOCUMENT FOR EVALUATION/REVIEW AND PROMOTION AND TENURE OF FACULTY. The Board Office recommended the Board (1) approve the proposed revision of the Iowa State University policy on evaluation/review, promotion, and tenure and (2) request that the university develop procedures for the evaluation of tenured faculty and submit the proposed policy to the Board of Regents by December 1999.

One of the major recommendations of the Pappas Report (1996), was a challenge to the Regent universities "to think outside the box" and develop a new model for defining faculty workload, productivity, and accountability. Pappas suggested that this new model be based on a "portfolio" approach that took into consideration the talents, expertise, and the interests of individual faculty, recognizing that these may change over time. In response to this recommendation, each of the universities implemented the "portfolio" approach. In addition, the University of Iowa has developed a new "Post-Tenure Effort Allocation Policy" that permits tenured professors to establish individualized portfolios of responsibilities for limited and defined periods of time and has revised its "Guidelines for Tenure and Promotion Decision-Making." Similar changes were made at the University of Northern Iowa.

Iowa State University has recently concluded its process of revision of its tenure and promotion policy and submitted revised policy for approval. The revised policy includes several major changes and detailed internal procedures for the operation of the policy. The significant changes include a new definition of "Scholarship" which recognizes new advances in the various disciplines such as

the development of relevant software and the development of new technologies. A second important change is the proposed requirement that the various actions in the proposed policy be based on a "position responsibility statement". The "position responsibility statement" is a tool that allows for a flexible and individualized system of faculty review, particularly within the promotion and tenure policy. The "statement" describes the individual's current position responsibilities and activities in the following are: (1) teaching, (2) research/creative activities, (3) extension/professional practice, and (4) institutional service. This statement is used by all evaluators to intrepid the extent, balances, and scope of the faculty member's scholarly achievements.

The proposed Iowa State University policy is primarily a comprehensive set of internal procedures for the evaluation, promotion and tenure of faculty. One significant aspect of the tenure policy is not included in the proposed policy. This exception is the absence of a "post-tenure review policy." The post-tenure review policy is currently under discussion at the university. Such a policy is highly desirable in order to ensure the public's confidence in the integrity of academic tenure. The Board Office proposed that the Board encourage the development of such a policy by no later than December 1999.

President Jischke stated that the document was the result of two years of work. The proposed revisions were presented to the Board with the recommendations of both the university administration and faculty. He introduced Olivia Madison who chaired the committee that led the effort.

Dean Madison discussed the substance of the revisions and the process. She noted that the document recognizes a more holistic view of what faculty do.

Regent Fisher said it was his understanding that the faculty did not approve the review policy. President Newlin stated that what Regent Fisher was referring to was the post-tenure review effort.

Dean Madison said there was a proposal to incorporate post-tenure review as part of this document. The proposal passed the Faculty Senate but did not pass the general faculty. She noted that post-tenure review has nothing to do with promotion and tenure.

President Jischke noted that the Board Office recommended the Board request the university to develop procedures for the evaluation of tenured faculty and submit the proposed policy to the Board of Regents by December 1999.

Regent Fisher asked if it would take that long to come back to the Board with the new policy. President Jischke said he believed it would be wise to take the time to re-engage the faculty on this issue. If the Board adopts the recommended action, it would send a message to faculty to go back to the drawing board. He believes there is a good chance of success of developing a policy which the faculty will adopt. He believes the recommendation is a wise approach.

Regent Fisher said he concurred with President Jischke but noted that the Board of Regents is interested in seeing a post-tenure review policy at Iowa State University as is in place at the other two universities.

President Newlin thanked Dean Madison for her efforts and those of the committee. He said they had performed a yeoman's task.

MOTION: Regent Lande moved to (1) approve the proposed revision of the Iowa State University policy on evaluation/review, promotion, and tenure and (2) request that the university develop procedures for the evaluation of tenured faculty and submit the proposed policy to the Board of Regents by December 1999. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended the Board approve the Register of Capital Improvement Business Transactions for Iowa State University subject to further review of the inclusion of elevators in the schematic design for Hawthorn Court, including a review of legal and financial considerations as well as consistency with Board and institutional strategic plans.

APPROVAL OF PROGRAM STATEMENTS AND DESIGN DOCUMENTS

Hawthorn Court Development

University officials presented the schematic design for Phases 1 and 2 for Board approval. This action was deferred from the November Board meeting.

As noted in October, the site plans and schematic design have been developed for both Phases 1 and 2 due to the integral nature of the planning that is required for the two phases of the project. Representatives from the project architects, Rietz Consultants and Hanbury Evans Newill Vlattas and Company, gave the schematic design presentation.

General Description

The Hawthorn Court area is located on the north side of the Iowa State University campus and has as its boundaries Stange Road on the west, 13th Street on the north, and Haber Road on the east. The southern boundary is partially defined by railroad tracks which run adjacent to the southwestern area of the site.

The Hawthorn Court development will be comprised of seven distinctive apartment neighborhoods organized around the community center and green space. Each neighborhood site, which will house 200 to 400 students, will consist of a cluster of apartment buildings with a "commons space."

Apartment Building Designs

The project will construct a total of 23 apartment buildings based on two designs. The smaller building design, Building 1, will provide a total of 18 apartment units and 72 beds. The building will consist of three floors, with a total of 22,500 gross square feet of space (7,500 gross square feet per floor). The Building 2 design will provide a total of 24 apartment units and 96 beds. This building will also consist of three floors, with a total of 27,015 gross square feet of space (9,005 gross square feet per floor). The two different building designs were developed to provide the best fit for the site and to reduce the total number of buildings to be constructed, thereby controlling project costs and increasing available green space. The project includes construction of nine facilities based on the Building 1 design and 14 facilities based on the Building 2 design.

The apartment units within the buildings will be based on three different designs. Each unit is designed to house a total of four students. Two of the three designs provide four bedrooms for single occupancy, while one design provides two bedrooms for double occupancy. The two bedroom units have been incorporated into the project to control construction costs and to provide students with a lower cost option for apartment space since the rental rate for the two bedroom units will be lower than for the four bedroom units. Each apartment will include a kitchen, living room, and dining area. The units have been designed to include one bathroom with private shower and toilet areas and two sinks. Each unit will also include laundry, storage and utility spaces.

The Building 1 design (18 units) includes two different apartment unit types on each floor. Unit A, which includes four bedrooms for single occupancy, consists of a total of 795 net square feet. Unit B, which also includes four bedrooms for single occupancy, consists of a total of 770 net square feet. Each floor of Building 1 will consist of four Unit A apartments to be constructed in the center core section, and two Unit B apartments to be constructed at the ends of each floor.

The Building 2 design (24 units) also includes two different apartment unit types on each floor. Unit A is the same design that will be used in Building 1. Unit C, which includes two bedrooms for double occupancy, consists of a total of 750 net square feet. Each floor of Building 2 will consist of four Unit A apartments to be constructed in the center core section, and four Unit C apartments to be constructed the ends of each floor.

The apartment units to be constructed in Phase 1 of the project will be fully-furnished. University officials are considering the possibility of providing a number of non-furnished apartment units for the Phase 2 project. The university is evaluating student demand for these units.

The apartment buildings will be wood-framed with a brick and vinyl siding exterior skin and asphalt roof. These materials were selected to provide a quality, cost-effective environment which will be appealing to prospective students. These

materials will also allow variation among the buildings' exterior to provide a distinct architectural expression for each of the seven neighborhoods. Architectural expression will also be accomplished with the configuration of the "commons space" and the landscape design for each neighborhood.

Accessibility

The schematic design included in the design booklets provided to the Board in November 1998 did not include elevators in any of the proposed 23 buildings. The university's initial planning review of projects on other campuses and in the private sector indicated that elevators are usually not included in three-story residential buildings. Due to increased cost, estimated by the university to be \$3.5 million to install elevators in all the buildings, and the desire to maintain as low cost and as competitive housing rates as possible, elevators were not included in the project. However, as a result of subsequent questions raised by the Board Office and others, the university undertook a review of both the legal requirements and desired accessibility. University officials proposed to include elevators in approximately one-third of the buildings. Either six or seven elevators would be installed, depending upon how they were located in the community.

University officials checked with federal and state agency representatives regarding the applicability of accessibility standards to the proposed residential housing units. University officials reported that the university was informed that Uniform Federal Accessibility Standards apply. According to these standards, low density housing (3 stories or less) can be constructed without elevators. The university has also received a letter from the State Fire Marshal indicating that the university is not required to include elevators in the project. The Board Office is consulting with the Attorney General's office on this issue.

The project will construct a total of 28 apartment beds which will be accessible for persons with disabilities. These beds will be located among the different unit types of the various buildings. The accessible plan for each unit design is shown with each floor plan in the design booklets. In addition, all of the first floor apartment units will be adaptable for accessibility if additional units are required. This conversion would include replacement of appliances, re-working of cabinetry, replacement of toilet fixtures, installation of grab bars, and other minor alterations.

The Community Center will be fully accessible. This is the location at which the university anticipates that living/learning activities and programming will occur. University officials indicate that the need to make the upper floors of the buildings accessible to mobility impaired individuals would primarily be to visit or engage in social activities. Students also visit the accommodations of other students to study. The Residence System would not encourage individuals with mobility impairments to live in upper level units since in an emergency or fire the elevators would not be operable. Exiting from the ground level units would provide a much safer environment. The proposed partial elevator solution will provide access to all types of living units. University officials reported that this

approach with partial elevators was reviewed with the university community with disabilities and appeared to be acceptable.

The cost of the proposed additional seven elevators and the additional building footprint is estimated at \$1.4 million. This amount is not included in the project budgets which follow. These were originally prepared for the November Board meeting. University officials report that if the inclusion of seven elevators is approved by the Board, the project budgets for both phases will be revised to increase the borrowing to cover the additional cost as well as \$.5 million for additional brick to the exterior to improve the appearance of the units. University preliminary calculations indicate that this additional cost can be accommodated to meet the appropriate debt service coverage ratio and maintain competitive housing rates.

Community Center

In addition to the apartment buildings, the Hawthorn Court Development project will include construction of a multi-purpose community center which will provide food service and dining areas, and student meeting and classroom space. The community center will serve as the focal point of the Hawthorn Court development and will support the living/learning environment of the community. The building will be located to facilitate ease of access from all of the apartment buildings within the development.

The community center will be a one-story facility consisting of 8,918 gross square feet of space (6,522 net square feet) which will be constructed in the western area of the site. The exterior of the facility will consist of brick and pre-cast concrete with a combination metal and asphalt roof.

The community center has been designed to serve primarily as a retail dining facility. The main dining area consists of 1,512 net square feet of space and will provide seating capacity for 125. This area has been designed to provide access to an outdoor plaza and seating areas which will provide additional dining and study space. The location of the community center in the western area of the development in proximity to Stange Road will facilitate use of the food service and dining facilities by university faculty and staff as well as students who are not residents of the Hawthorn Court area.

The design of the food service area reflects a "marketplace" concept which will offer both freshly prepared retail food products as well as a variety of grocery items from a single interactive serving area. This area will consist of 2,162 square feet of space and will include two or three service points where foods will be prepared in view of the customer. The grocery area will allow food items to be purchased for the preparation of meals in the apartments. The purchase of both prepared foods and groceries can be made in the same transaction.

The design of the community center also responds to the need for classrooms and small group rooms within the Hawthorn Court development. The facility will include a total of 1,352 net square feet of space which has been designed to

serve as both classroom space for academic programs, and informal group study and meeting areas. These spaces will be equipped for connection to the university computer system and the Internet.

Other Project Elements

The main entrance to the Hawthorn Court development will be from Stange Road on the west end of the site. Entrances will also be provided from 13th Street on the north and Haber Road on the east. The development will initially provide parking for more than 1,500 vehicles, with the capability for expansion up to approximately 1,800 spaces. Pedestrian circulation will be provided by central paths which will be accessible from each neighborhood site. The paths will provide access for walkers and cyclists to and from campus. The central green space will provide a large open area for recreational and community-wide functions. Additional landscape elements will be designed to provide an atmosphere conducive to the living/learning experience by creating privacy, open space and an aesthetic environment, while preserving as many mature trees as possible.

The university will construct, operate and maintain all utilities in the Hawthorn Court development.

Construction Phases

Phase 1 of the Hawthorn Court Development project will construct approximately 1,000 beds and will be divided into two phases. Phase 1a will construct six buildings located on the west end of the site just east of Stange Road (neighborhood sites A and G). These buildings will reflect the Building 1 design and will include a total of 108 apartment units (432 beds). The proposed Phase 1a construction schedule includes bidding in January 1999 (Dormitory System Revenue Bonds for this phase of the project were sold in September 1998). Occupancy of three of the six apartment buildings is scheduled for August 1999, with occupancy of the remaining buildings scheduled for January 2000.

Phase 1b will include construction of the community center and six additional apartment buildings. A final decision on the neighborhood apartment sites to be constructed in Phase 1b has yet to be determined. The proposed Phase 1b construction schedule includes bidding in May 1999, which is the date scheduled for the sale of additional revenue bonds. Occupancy of the community center is scheduled for March 2000. Occupancy of two of the six apartment buildings is scheduled for January 2000, with occupancy of the remaining buildings scheduled for August 2000.

Phase 2 will construct the second series of 1,000 bed apartment units. The sequence for construction of the apartment buildings and the schedule for bidding and occupancy for this phase have yet to be determined.

Vice President Madden stated that last summer university officials presented the Board with the master plan for the residence system. The first major project of that plan is the Hawthorn Court project which was originally scheduled to be presented to the Board last month. He then introduced Paul Reitz and Michael Evans, project architects.

Mr. Evans reviewed the information regarding the site plans for this project. He said there are 23 buildings. Thirty-three percent of the rooms are double occupancy. The ratio of toilets to students is 4 students/bath zone and each fixture is compartmentalized. With regard to accessibility, he said that initial construction will include 28 fully-accessible units. Concerning elevator activity, the plan provides for a single elevator in approximately one-third of the buildings. There are 1,992 beds which will be built in stages. He said the sense of community is what this project is all about.

Regent Arenson asked if someone in a wheelchair could go into each building. Mr. Evans responded that every first floor will be accessible. One building in each of the communities will provide elevator access throughout the building.

Regent Arenson asked if a person in a wheelchair who wanted to visit someone on the third floor of a building could do so. Mr. Evans said that there are telephone access installations in each building so the student could contact the friend to come down to the first floor.

Regent Arenson asked if that arrangement meets the Americans with Disabilities Act (ADA) requirements. Mr. Evans said there are several codes that apply to ADA accessibility. This plan does meet those requirements. The difficulty is that federal laws do not provide total clarity about what to do.

President Newlin asked if the seven proposed elevators would provide access to approximately one-half of the rooms. Mr. Evans responded that there are 23 student buildings. Seven of the buildings would have elevators that provide access to the entire building. The first floors of every building would be accessible.

Vice President Madden referred to the ADA accessibility standards for residential dwelling units of three stories or less, which these buildings all are, and said there is not a requirement to provide elevators. The city of Ames building codes also do not require elevators. The university is subject to federal guidelines and to state building code inspections. University officials have consulted with representatives of those agencies and have received written notification from the State Fire Marshal's office which administers the building code for state facilities. University officials were informed that the university is not legally obligated to install elevators in the buildings. Representatives of the Department of Justice, which administers ADA, concurred with the university's recommendation. From a legal point of view, Vice President Madden said the university is not obligated to provide any elevators in the complex. University officials have evaluated the needs and have had discussions on the campus with students and handicapped student groups. University officials arrived at a recommendation to install seven

elevators, one in each of the clusters that was described by the architect. As was indicated, doing so will provide accessibility to a large number of units. University officials believe that is adequate. Students on the campus who have been part of these consultations have supported the general conclusion of the university. He said the elevators will add roughly \$1,085,000 to the capital budget. Elevators cost about \$155,000 to install and then there are maintenance costs. University officials believe those costs can be accommodated within the overall operating budget. The university will meet all of the financial parameters that were presented in the original residence system master plan as well as the requirements of the bond resolutions.

President Newlin noted that the docket memorandum indicated the cost to add the elevators was \$1.4 million. Vice President Madden responded that university officials have been refining the cost of the elevators and working with the design personnel. The number has been reduced to \$1,085,000.

President Newlin asked if the \$300,000 reduction in the cost of the elevators would allow the addition of another elevator. Vice President Madden responded that university officials are trying to maintain the financial viability of this project.

Regent Pellet asked if this project is for married student housing. Vice President Madden responded that it is for upper class undergraduate student housing.

Director Alexander stated that the population of student families that want to live on campus has been declining.

Regent Ahrens stated, on behalf of Regent Kennedy, that she congratulated university officials for compartmentalizing the bathroom fixtures.

Regent Pellett expressed concern that there was only one clothes closet for every two students.

Regent Arenson referred to the university's policy on disability and accommodations and asked what is the university's policy with respect to disabilities as it relates to this construction project. This is a new construction project of a significant facility that will be on campus for many years. He believed it was short-sighted to build these buildings without elevators.

Vice President Madden said there has been a great deal of discussion. University officials are balancing accommodation with financial considerations. In conversations with handicapped students on campus it was found that their preference is to live in ground floor units. One-third of the units are ground level. The student groups which university officials met with concluded the university had developed a reasonable approach to the problem.

Regent Arenson asked for the university's policy regarding access for persons with disabilities. Vice President Madden responded that in all the public buildings the university goes beyond the letter and intent of the law. There are exceptions for residential units.

Regent Arenson asked for the university's policy with respect to access for people with disabilities. President Jischke responded that the policy is that the university is totally accessible in all of its programs. He noted that this was the first residential construction that has been done in 20 years.

Regent Lande said he would support 21 elevators or 7 elevators but he would not support something that did not have elevators. It was his understanding that by increasing costs just over \$1 million it would still be financially feasible to rent the units and to make the project work. If the university were to invest more than \$3 million, the entire project is at risk.

Vice President Madden agreed.

Regent Arenson said this is a philosophical kind of an argument. What has been done for years inadvertently is that there has become different classes of citizens. Some people can go places and some people cannot because of their particular disabilities. Iowa State University is a public institution. Regent Arenson said he understands what the law says and that the university is in compliance with it. However, as the Board of Regents and as institutional leaders, the Board is trying to go beyond compliance in order to have as much access as possible. He said he was not going to support the project as presented because he believes there ought to be an elevator in every building. The buildings are going to be on campus for years. The university needs to let everyone have access and more than just where they live. If an individual wants to go somewhere they should be able to go there.

President Newlin stated that seven elevators cost approximately \$1.1 million. There are 23 buildings. What would the cost be to put an elevator in every building?

Vice President Madden responded that the cost would be about \$3.5 million total, which would include the seven elevators already in the plan. It costs between \$5,000 and \$6,000/year to maintain an elevator. That is one of the other challenges. The residence systems on the campuses are designed to be self supporting.

President Newlin asked if there is an intermediate step between 23 elevators and 7 elevators that is economically feasible, such as 14.

Vice President Madden responded that university officials believe they are providing good accessibility to more than one-half of the units with this model. With regard to the question of whether more elevators are possible, he thinks economically the answer would be yes. The number of additional elevators depends somewhat on the market rates.

President Newlin said if additional elevators can be installed economically, why do university officials not consider doing so?

President Jischke said that was the kind of logic and reasoning that led to the inclusion of seven elevators in this project. The larger project that the Board embraced conceptually is built into a financial pro forma that presumes that this part of the project will generate a certain net cash flow that will allow the university to finance the downstream pieces of the project. If the university were to expend \$3.5 million on elevators, it makes the economics downstream so tight that it could jeopardize the project.

Regent Arenson said there was a possibility that some money could be saved downstream. President Jischke responded that university officials make project budget estimates as precise as possible. The reasoning that has gone into this effort is to create as much accessibility as possible. These structures are more accessible than any others on the campus. There are not a lot of rooms on campus that are easily fitted for someone in a wheelchair. This project is a tremendous step forward. In trying to be as precise and accurate as possible regarding finances, President Jischke believes the seven elevators can be financed.

President Newlin said that was not his question. He wanted to know if 14 elevators is economically feasible. President Jischke responded that university officials looked at 7 elevators in order to provide access to at least one building in each neighborhood. They also looked at 23 elevators. University officials believe that 7 elevators could be accommodated but that 23 elevators could not. University officials did not look at 14 elevators. President Jischke asked about 10 but that really does not solve the problem that Regent Arenson is trying to deal with.

Regent Arenson asked for the cost for 7 elevators and the cost for 23 elevators. President Jischke responded that it costs \$1.1 million for seven elevators and 23 elevators is about \$3.5 million. Vice President Madden said it costs \$155,000 per elevator.

Regent Smith asked Regent Arenson if it was his view that there should be 23 elevators. Regent Arenson responded yes, if there is to be full inclusion. He said elevators will be the easiest thing not to do with every project that is considered in the future. From the perspective of someone who is in a wheelchair, the university is really creating an additional barrier in a new building. Regent Arenson said that in his view the Board should not do that in the year 2000. The building is going to be there a long time.

In response to a request from Regent Kelly, Iowa State University officials reviewed the costs for the various phases of the residence system renovation.

Regent Kelly referred to the residence systems being self supporting through rent and asked if his understanding was correct that if 23 elevators were included in the project, it would add an additional \$2.4 million to the cost. University officials responded affirmatively.

Regent Kelly asked for the source of the construction funds. Vice President Madden responded that rent pays the full cost to retire the bonds that will be sold to construct the project.

Regent Kelly asked how much more per student the rent would have to increase in order to include 23 elevators. President Newlin estimated that it would cost an extra \$200/student/year and Vice President Madden agreed that was a good estimate.

Regent Smith asked if the Hawthorn Court apartments will cost more than other living arrangements on campus. Director Alexander responded that the rent will be higher for those living at Hawthorn Court.

Regent Smith stated that students would already be paying a premium to live in Hawthorn Court and then more cost would be added to include 23 elevators. Vice President Madden said Hawthorn Court then may not be competitive in the market place. Regent Smith said they would be defeating the purpose.

Regent Lande said the Board policy is that residence systems will be self supporting. University administration has brought to the Board a plan that best tries to accommodate a combination of handicapped people within the framework of a self supporting operation. If for policy reasons, this Board decides there must be elevators in each of the 23 buildings, then there would have to be a change in the general policy in order not to do violence to the concept of self-supporting residence systems. If the Board believed it was an important policy matter to provide elevators in all 23 buildings, the Board could direct the university to secure the additional funds from other sources. He believes that university officials provided the Board with a good and solid plan.

Regent Kelly asked if the additional \$2.4 million could be obtained from a source other than student rent.

Regent Arenson said that in a sense all of the figures are estimates. Therefore, if the elevators are included in the budget and are bid, budget adjustments will be made as the project moves along. The question is what is going to be included and what is not going to be included. Unknown are the project costs and what the students are going to have to pay. This is the time during which a decision would have to be made about whether or not to include elevators.

President Jischke said there is uncertainty in every project. There may be misestimates of construction costs and estimates of the market for apartments, etc. Ultimately a decision has to be made whether the finances work out. The residence system is supposed to be self supporting so there is a market consideration. University officials have tried to make the facility as accessible as possible, well beyond the law and well beyond anything previously done. If other funds were to be used, where would those funds come from and what would be the implications for the priorities of the university?

Regent Arenson said university officials have many decisions that can be made about where the funds come from between now and the finality of this project. What the Board is doing now is making decisions. Many dormitories are going to be built, going forward. The question is whether all people will be included and given access, and whether the institution is just going to comply with the law or whether it is going to go beyond the law and allow someone in a wheelchair to go all over the campus. He said there has to be a broader view. This is a 40- to 50-year building. Every building that is built from now on should consider those things.

Regent Kelly asked if it would be possible to delay action on this matter for a month in order to determine if the additional funds might be available. Some new ideas had come up this month that he would like to have investigated.

Regent Fisher cautioned that there might be a bonding problem if funds are obtained from some other source to pay for the bonds. He said he believes the university administration had come with a good compromise and that the Board has been reasonable and prudent. There are many students who are not in wheelchairs who have to pay the rent. He believes the proposal makes economic sense.

Regent Smith agreed with Regent Fisher.

Regent Kelly stated that he would oppose moving forward today because he had requested to delay the decision for a month in order to investigate alternative funding sources.

Vice President Madden stated that university officials could not get an answer from the legislature in a month regarding a possible appropriation. He believes it would be difficult to raise the money privately. Therefore, the only possible source for the additional funds would be state appropriations or tuition and fees.

Executive Director Stork said he did not believe that the legislature would appropriate money for this project. Therefore, the only other source of funds would be to use tuition and fees so the costs would be borne by the academic programs.

Regent Arenson said he was trying to look 40 years ahead to how many handicapped students there might be on the campus. There will always be financial constraints.

MOTION:

Regent Fisher moved to approve the schematic design for Hawthorn Court Development Phases 1 and 2. Regent Pellett seconded the motion. The motion carried by a vote of 5 to 3 with Regents Arenson, Kelly and Newlin voting "no".

PROJECT DESCRIPTIONS AND BUDGETS

Hawthorn Court Apartments—Phase 2 \$25,430,500

Preliminary Budget

Construction Costs	\$ 23,725,028
Professional Fees	1,705,472
TOTAL	<u>\$ 25,430,500</u>
Source of Funds:	
Dormitory System Revenue Bonds	\$ 24,730,500
Income from Utility Enterprise	700,000
TOTAL	<u>\$ 25,430,500</u>

University officials requested approval of the project budget in the amount of \$25,430,500 for Phase 2 of the Hawthorn Court Development project. The Phase 2 project will construct additional apartment buildings to house approximately 1,000 beds. This budget does not include the costs of any elevators. Inclusion of elevators would necessitate an increase in the project budget.

The project budget includes the costs associated with installation of the utility infrastructure to provide university utilities to the Hawthorn Court area. This work was not included for the Hawthorn Court Development project as presented in the Residence System Master Plan. However, university officials determined that it is more cost-effective to provide university utility services to the area. The cost for installation of the infrastructure will be recovered from user rates over a five-year period.

The plan for issuance of Dormitory Revenue Bonds for the Phase 2 project has yet to be determined.

Molecular Biology Building—Room 1320 Renovation
\$500,000

Preliminary Budget

Construction Costs	\$ 328,500
Movable Equipment	120,000
Professional Fees	51,500
TOTAL	<u>\$ 500,000</u>

Source of Funds:	
Biotechnology Endowment Earnings	\$ 250,000
ISU Foundation	211,400
Unrestricted Grant Funds	38,600
	<u>\$ 500,000</u>

University officials requested approval of a project description and budget in the amount of \$500,000 to renovate Room 1320 on the first floor of the Molecular Biology Building for development of a Biotechnology Education Center. The center will educate Iowa citizens on the scientific, legal, and ethical issues related to biotechnology research and development, with a goal of preparing Iowa citizens for the challenges of biotechnology in the 21st century.

The project will renovate approximately 2,000 square feet of space to provide teaching laboratories equipped with distance learning technologies for use year-round by K-12 teachers and students, extension service professionals, adult educators, industry personnel, and the public. Programs planned for the center include on-campus laboratory workshops for K-12 and community college educators in agriculture and family and consumer sciences. In addition, the center will provide biotechnology laboratory instruction, delivered by two-way distance learning technologies, and biotechnology training courses for agricultural producers, consumers and other adult audiences. The center's programs will also include the development and testing of laboratory protocols adapted for middle and high school classrooms.

The biotechnology endowment earnings which will partially fund the project consist of interest income from an endowment which was established to support biotechnology outreach programs. The endowment is managed by the ISU Foundation.

* * * * *

The Knoll—Replace Air Conditioning Systems
\$24,109

Source of Funds: Income from Treasurer's Temporary Investments

Preliminary Budget

Construction Costs	\$ 20,189
Professional Fees	<u>3,920</u>
TOTAL	<u>\$ 24,109</u>

University officials requested approval of a project description and budget in the amount of \$24,109 to replace the air conditioning systems which serve the second and third floors of The Knoll. The two existing systems which serve these floors are 28 years old and have reached the end of their useful lives. University officials have undertaken various repairs to the equipment but these repairs have not been successful in providing adequate cooling. The project will install new, slightly larger air conditioning units. Minor modifications and cleaning of the existing ductwork are also included.

<u>Hawthorn Court Development—Phase 1</u>	Sept. 1998 Budget
<u>\$25,913,000</u>	
	Dec. 1998 Budget
<u>\$26,733,700</u>	

Project Budget

	Initial Budget <u>Sept. 1998</u>	Revised Budget <u>Dec. 1998</u>
Construction Costs	\$ 22,684,221	\$ 23,253,971
Professional Fees	1,128,779	2,179,729
Movable Equipment	2,100,000	1,300,000
TOTAL	<u>\$ 25,913,000</u>	<u>\$ 26,733,700</u>
Source of Funds:		
Dormitory System Revenue Bonds	\$ 25,913,000	\$ 25,793,700
Income from Utility Enterprise		700,000
Dormitory System Surplus Funds		240,000
TOTAL	<u>\$ 25,913,000</u>	<u>\$ 26,733,700</u>

University officials requested approval of a revised project budget in the amount of \$26,733,700, an increase of \$820,700. The increase reflects the costs associated with the installation of utility infrastructure to provide university utilities to the Hawthorn Court area, and the cost for demolition of the existing Hawthorn Court buildings. The revised budget does not include the costs of any elevators which may be installed.

The utility work was not included for the Hawthorn Court Development project as presented in the Residence System Master Plan. University officials determined that it is more cost-effective to provide university utility services to the area. The

cost for installation of the infrastructure will be recovered from user rates over a five-year period.

The Residence System Master Plan indicated that it would be necessary to raze the existing Hawthorn Court apartment buildings, which were constructed in 1956 through 1959, to accommodate the Hawthorn Court Development project. University officials determined that the demolition work will be included in Phase 1 of the project. The demolition cost will be funded by Dormitory System Surplus Funds.

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University officials presented one new project with a budget of less than \$250,000. The title, source of funds and estimated budget for the project was listed in the register prepared by the university.

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ARCHITECT/ENGINEER AGREEMENTS

Hawthorn Court Development—Phase 1
\$1,454,689
Reitz Consultants, Ames, Iowa

University officials requested approval to enter into an agreement with Rietz Consultants for the development of design and construction documents, bidding, and construction for the Phase 1 project. The agreement will include the services of a housing design consultant, landscape architectural and civil engineering consultant, cost consultant, and mechanical/electrical engineering consultant.

The agreement provides for a fee of \$1,373,791 for basic services, with a maximum of \$80,898 for reimbursables, for a total fee of \$1,454,689.

Birch-Welch-Roberts Roof Replacement—Phase 2
\$31,500
Benjamin Design Collaborative, Ames, Iowa

University officials requested approval to enter into an agreement with the firm of Benjamin Design Collaborative to provide design services for the project. The agreement provides for pre-design through construction phase design services with a maximum fee of \$31,500, including reimbursables.

Amendments:

Communications Building—Remodeling and Addition
\$16,500
Savage Ver Ploeg and Associates, West Des Moines, Iowa

Hawthorn Court Development—Phase 1

\$29,230

Reitz Consultants, Ames, Iowa

CONSTRUCTION CONTRACTS

Hawthorn Court Development—Site Grading

\$209,276.00

Award to: McAninch Corporation, Des Moines, Iowa
(2 bids received)

FINAL REPORTS

Lied Recreation/Athletic Center—Replace Carpet

\$233,000.19

Parks Library—Room 430—Conservation and Restoration Lab

\$306,000.75

MOTION:

Regent Arenson moved to approve the university's capital register, as presented, with the exception of the schematic design for Hawthorn Court. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

University officials requested approval to enter into a new lease agreement as lessee with R and C Investors for the university's use of 980 square feet of office space

located in Ames, Iowa, for various activities of the Law Enforcement and Family Support Program at the rate of \$915 per month (\$11.20 per square foot, \$10,980 per year) for approximately a 19-month period.

University officials requested approval to renew the university's lease agreement as lessee with the Iowa State University Research Park Corporation for the university's use of 8,143 square feet of space for the Iowa State Innovation System at the base rate of \$6,785.83 per month (\$10 per square foot, \$81,430 per year), plus utility and operating costs estimated at \$4.20 per square foot per year, for a one-year period.

MOTION: Regent Fisher moved to approve the leases, as presented. Regent Lande seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arenson, Fisher, Kelly, Lande, Newlin, Pellett, Smith.
NAY: None.
ABSENT: Kennedy.

MOTION CARRIED.

ISU CENTER ANNUAL REPORT. The Board Office recommended the Board receive the report on the Iowa State Center of Iowa State University for the year ended June 30, 1998.

The Iowa State Center includes the operations of Hilton Coliseum, Stephens Auditorium, Fisher Theater, and the Scheman Building, as well as various outdoor activities such as stadium concerts, barbecues, and dances. Iowa State University has contracted with Ogden Entertainment, Inc. for the management of the center for over ten years. The mission of the center, its booking priorities, and operating policies and funds continue to be controlled by the university.

The Iowa State Center revenues and university subsidy for FY 1998 were \$7.4 million and expenses were \$7.2 million, leaving a surplus for the fiscal year of \$216,412. Ogden Entertainment, Inc. was paid a monthly management fee and commission on food and beverage concessions for a total of \$229,289 for FY 1998, a 10 percent decrease from FY 1997 due to lower concessions.

Gross and net concessions were substantially less than the prior year, (21.1 percent) and (40.3 percent) respectively, primarily due to the lack of major touring concert performers. Net concession dollars for FY 1998 were \$261,829 less than FY 1997. From FY 1987, the benchmark year, to FY 1998, net concession dollars have increased 226.5 percent. Although attendance at center events has increased 0.2 percent from FY 1987, the FY 1998 attendance was less than FY 1997 by 33,757 or 3.8 percent.

The Iowa Auditor of State conducted an audit on the Iowa State Center for the fiscal year ended June 30, 1998. The audit report indicated that the financial statements were presented fairly in all material respects. No findings were reported.

ACTION:

President Newlin stated the Board received the report on the Iowa State Center of Iowa State University for the year ended June 30, 1998, by general consent.

President Newlin 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 Thursday, December 3, 1998.

REGISTER OF PERSONNEL TRANSACTIONS. The Board Office reported that the register had not been received and would be reported next month.

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

PERMISSION TO PROCEED WITH PROJECT PLANNING

Redeker Dining Center Improvements

In accordance with the Campus Food Service Master Plan and the University Residence System preliminary master plan, university officials requested permission to proceed with project planning, including the architectural selection process, for the Redeker Dining Center Improvements project. The project will renovate the food service areas of the Redeker Dining Center based on the recommendations of the master plan study. This initial stage of the project will allow the university to select an architect in order to begin formal planning for the project, including further evaluation of the recommendations in the master plan. University officials plan to begin the renovation work in the spring of 2000.

The Redeker Dining Center is a two-story structure consisting of a total of 62,200 gross square feet which was constructed in two phases in 1964 and 1965. The building is located in the center of the residence hall complex which contains Hagemann, Noehren, Rider and Shull residence halls.

The Redeker Dining Center is the university's largest dining unit and contains some of the oldest food service equipment. The food service and dining operations are located on the second floor and provide seating for 818. The Redeker Dining Center operations include the campus bakery and the central food stores which serve the other campus dining units.

The Food Service Master Plan notes that all of the university's residential dining facility kitchens and serving systems are nearing the end of their useful lives and are dramatically in need of renovation and reconfiguration to facilitate modern production and serving techniques. According to the master plan report, surveys of students, faculty and staff indicate a need for greater variety in food offerings, extended operating hours, and reorganization of service systems to improve

service speed and menu variety. The master plan also indicates that it is necessary to implement changes to the existing retail food service operations in order for the university to remain competitive with other colleges and universities which offer state-of-the-art retail food services to their students.

The master plan recommends reconfiguration of the existing straight-line service system in the Redeker Dining Center to a multiple service point, or “marketplace” system, to enhance the variety and quality of menu offerings and speed of service. The marketplace concept will provide a series of individual food outlets, each with its own food format and identity, interspersed throughout a large dining space. The majority of food preparation is done in front of the customer at each outlet. The master plan indicates that customer acceptance of the marketplace concept in college facilities has been very high as it creates a dynamic, lively and interactive dining environment. The individual food outlets also allow flexibility to change food formats. In addition, the master plan recommends relocation of the bakery to the first floor near the north entrance of the building, which would allow it to also serve as a bakery outlet for students as well as faculty and staff.

The estimated cost for the project is \$7,000,000. This includes estimated costs of approximately \$2,600,000 for demolition and construction, \$2,300,000 for equipment, \$550,000 for furnishings, and \$1,600,000 in additional project costs which will include design costs and the project contingency. University officials proposed to finance the planning and design costs with Residence System funds, with these costs to be reimbursed by proceeds from the sale of the Dormitory System Revenue Bonds to be issued at a future date.

University officials will return to the Board for approval of the architectural agreement. In addition, the program statement, schematic design, and project description and budget will be presented for Board approval at future dates.

PROJECT DESCRIPTIONS AND BUDGETS

Institutional Roads 1999—Illinois Street, Strayer-Wood

\$304,000

Theatre Drive, and Indiana Street

Source of Funds: Institutional Roads Program

Preliminary Budget

Contracts/Purchase Orders	\$ 236,900
Consultant/Design Services	43,520
Contingencies	<u>23,580</u>
TOTAL	<u>\$ 304,000</u>

University officials requested approval of a project description and budget in the amount of \$304,000 to improve portions of Illinois Street, Strayer-Wood Theatre Drive, and Indiana Street. The projects are included in the institutional roads program approved by the Board in July 1998.

The project will include the reconstruction of the following areas: 550 feet of Illinois Street to accommodate access to residence system housing and parking, 250 feet of Strayer-Wood Theatre Drive to accommodate vehicle access to the theatre and Russell Hall, and 600 feet of Indiana Street to accommodate access to west-central campus and parking areas.

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Maucker Union—Computer Lab and Student Organization Offices

\$189,482.10

Jorgensen Construction, Cedar Falls, Iowa

MOTION:

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

President Newlin asked Vice President Conner for a brief report on the UNI-Dome. Vice President Conner said the roof is up. He believes the flashing is completed. All of the work is done on the ceiling including the fabric against the metal roof. On Monday the UNI-Dome will be vacated and the flooring will be installed. The outer ring where the tension cables are located is 65-75 percent completed. The project was originally scheduled to be completed next summer; however, because of the favorable weather, the project is ahead of schedule. He noted that university officials were experiencing some problems with the consultant and subcontractors regarding wiring and HVAC which need to be worked out. The facility is being used.

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

IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Thursday, December 3, 1998.

RATIFICATION OF PERSONNEL TRANSACTIONS. The Board Office reported that the register had not been received and would be reported next month.

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

ARCHITECT/ENGINEER AGREEMENTS

Recreation Complex

\$60,000

InVision Architecture, West Des Moines, Iowa

Funds in the amount of \$60,000 were allocated by the Board in June 1998 from the FY 1999 capital appropriation for the special schools for planning of the facility. Construction funds for the project are included in the Board's request for FY 2000. The proposed agreement with InVision Architecture in the amount of \$60,000 will provide programming and schematic design services for the project.

School officials will return to the Board for approval of the program statement and schematic design. Project administration and coordination will be provided by Iowa State University.

Regent Fisher asked whether bids were taken for this project. Associate Director Racki responded that in accordance with Board policy, an architect selection committee interviewed three firms. The recommendation of the committee was to select InVision Architecture based on its credentials. She noted that this project is administered through Iowa State University.

MOTION: Regent Fisher moved to approve the capital register, as presented. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

PROPOSED CONTRACT WITH NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES. **The Board Office recommended the Board approve the proposed agreement with the Nebraska Department of Health and Human Services**

for the Iowa School for the Deaf to provide services to Nebraska deaf students and authorize the President of the Board to execute the contract with the Nebraska Department of Health and Human Services, subject to approval of the Attorney General's Office.

In April, the Board approved the agreement with the Nebraska Department of Education for the Iowa School for the Deaf to provide services to Nebraska deaf students, and authorized the President of the Board to execute the final contracts.

The Nebraska Department of Health and Human Services has expressed interest in securing educational and residential services from the Iowa School for the Deaf for wards of the State of Nebraska who are deaf. It was proposed that the costs and terms of a contract with the Nebraska Department of Health and Human Services would mirror the costs and terms in the contract that the Board has with the Nebraska Department of Education. The Department of Health and Human Services has indicated that they are agreeable to the terms of the contract and are in the process of obtaining the appropriate approvals.

The agreement with the Nebraska Department of Health and Human Services would contain a per student charge of \$62,759, \$39,252 for academic services and \$23,507 for residential services for the 1998-1999 academic year. The final agreement would contain a provision for an annual percentage increase in per student charges directly related to the percentage increase in the Iowa School for the Deaf general fund budget with a capped increase of 6 percent per year except for capital facilities costs or extraordinary circumstances. The contract would not cover services for severely multi-handicapped students, transportation, outreach, or summer school. If such services are desired, the two parties will address those needs separately.

The Iowa Attorney General's Office will assist in developing the final contract language.

Superintendent Johnson stated that one Nebraska student who desires to come to Iowa School for the Deaf is a ward of the state of Nebraska, under the supervision of the Department of Health and Human Services. He said the proposed contract is identical to the contract between the Board and the Nebraska Department of Education. With approval of the proposed agreement, Iowa School for the Deaf can accept the student.

MOTION:

Regent Pellett moved to approve the proposed agreement with the Nebraska Department of Health and Human Services for the Iowa School for the Deaf to provide services to Nebraska deaf students and authorize the President of the Board to execute the contract with the Nebraska Department of Health and Human Services, subject to approval of the Attorney General's Office. Regent Smith seconded

the motion. MOTION CARRIED
UNANIMOUSLY.

President Newlin 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 Thursday, December 3, 1998.

RATIFICATION OF PERSONNEL TRANSACTIONS. The Board Office reported that the register had not been received and would be reported next month.

President Newlin then asked Board members and institutional officials if there were additional items for discussion pertaining to Iowa Braille and Sight Saving School. There were none.

ADJOURNMENT.

The meeting of the State Board of Regents adjourned at 3:42 p.m., on Thursday, December 3, 1998.

Frank J. Stork
Executive Director