

GENERAL  
July 19, 1995

The State Board of Regents met on Wednesday, July 19, 1995, at Iowa State University, Ames, Iowa. The following were in attendance:

	<u>July 19</u>
<u>Members of State Board of Regents</u>	
Mr. Pomerantz, President	All sessions
Mr. Collins	All sessions
Mr. Dorr	All sessions
Mrs. Johnson-Matthews	All sessions
Mrs. Kennedy	All sessions
Mr. Newlin	All sessions
Mrs. Pellett	All sessions
Mrs. Smith	All sessions
Dr. Tyrrell	All sessions
<u>Office of the State Board of Regents</u>	
Executive Director Richey	All sessions
Deputy Executive Director Barak	All sessions
Director Houseworth	All sessions
Director Williams	All sessions
Associate Director Pressey	All sessions
Associate Director Racki	All sessions
Research Associate Via	Excused at 12:30 p.m.
Facilities Analyst Lodge	All sessions
Minutes Secretary Briggie	All sessions
<u>State University of Iowa</u>	
Acting President Nathan	All sessions
Acting Provost Becker	All sessions
Vice President Manasse	All sessions
Vice President True	All sessions
Associate Vice President Small	All sessions
Director Yanecek	All sessions
<u>Iowa State University</u>	
President Jischke	Excused at 2:17 p.m.
Provost Kozak	Excused at 2:17 p.m.
Vice President Madden	Excused at 2:17 p.m.
Vice President Theilen	Excused at 2:17 p.m.
Treasurer Thompson	Excused at 2:17 p.m.
Assistant to the President Mukerjea	Excused at 2:17 p.m.
Director Bradley	Excused at 2:17 p.m.
Associate Director Anderson	Excused at 2:17 p.m.
<u>University of Northern Iowa</u>	
Acting President Marlin	Excused at 2:15 p.m.
Acting Provost Leestamper	Excused at 2:15 p.m.
Vice President Conner	Excused at 2:15 p.m.
Vice President Follon	Excused at 2:15 p.m.
Assistant to President Gadelmann	Excused at 2:15 p.m.
Director Chilcott	Excused at 2:15 p.m.
<u>Iowa School for the Deaf</u>	
Superintendent Johnson	Excused at 2:11 p.m.
Assistant Superintendent Balk	Excused at 2:11 p.m.
Business Manager Heuer	Excused at 2:11 p.m.
Interpreter Cool	Excused at 2:11 p.m.

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Iowa Braille and Sight Saving School  
Superintendent Thurman  
Director Woodward

Excused at 2:12 p.m.

Excused at 2:12 p.m.

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(Insert table located on page 3 of the docket memo for this item.)

The general fund operating budget of the University of Iowa was distributed among budget units as follows:

General University	\$322,746,472
University Hospital	366,528,500
Psychiatric Hospital	16,073,400
Hospital School	7,691,500
Oakdale Campus	3,636,779
Hygienic Laboratory	5,265,200
Family Practice	2,082,666
SCHS	699,000
Special Purpose	<u>2,731,144</u>
Total	\$727,454,661

The final FY 1996 general operating budget of the general education fund was \$322,746,472 which represented an increase of \$20.5 million (6.8 percent) over the original FY 1995 budget and \$18.6 million (6.1 percent) over the revised FY 1995 budget.

The final FY 1996 general fund budget for the University Hospitals and Clinics was \$366,528,500, which represented a \$2.7 million increase (0.7 percent) over FY 1995.

The final FY 1996 general fund budget for the Psychiatric Hospital was \$16,073,400, which represented a 0.74 percent increase over FY 1995.

The final FY 1996 general fund budget for the University Hospital School was \$7,691,500, which represented a 2.7 percent increase over FY 1995.

The final FY 1996 general fund budget for the Oakdale Campus was \$3,636,779, which represented a 3.4 percent increase over the original FY 1995 budget and a 0.6 percent increase over the revised FY 1995 budget.

The final FY 1996 general fund budget for the University Hygienic Laboratory was \$5,265,200, which represented a 4.1 percent increase over FY 1995.

The final FY 1996 general fund budget for the Family Practice Program was \$2,082,666, which represented an 11.8 percent increase over the FY 1995 revised budget.

The final FY 1996 general fund budget for Specialized Child Health Services (SCHS) - Cancer, Hemophilia, High Risk Infant Program was \$699,000, which represents a 3.6 percent increase over FY 1995.

The final FY 1996 general fund budget for the Special Purpose Appropriations was \$2,731,144, which represented an increase of \$177,947 (7.0 percent) over FY 1995. The Special Purpose Appropriations for FY 1996 were as follows:

	<u>FY 1995</u>	<u>FY 1996</u>	<u>% Change</u>
Center for Agricultural Health and Safety	\$ 247,230	253,213	2.42%
Center for Biocatalysis and Bioprocessing	1,284,981	1,293,776	0.68%
Center for Advanced Drug Development	496,481	318,299	-35.89%
Iowa Substance Abuse Consortium	62,032	64,037	3.23%
National Advanced Driving Simulator	273,653	607,593	122.03%
State of Iowa Cancer Registry	<u>188,820</u>	<u>194,226</u>	<u>2.86%</u>
Total	<u>\$2,553,197</u>	<u>\$2,731,144</u>	<u>7.00%</u>

Restricted funds for FY 1996 totaled \$416,946,600, which represented an increase of 0.9 percent over estimated FY 1995.

FY 1996 revenues and expenditures of the Athletic budget totaled \$17,950,157 and were reduced \$36,187 from the preliminary budget presented in June 1995.

Revenues and operating expenses of the Residence System were unchanged from the preliminary budget submitted to the Board in March 1995.

Acting President Nathan stated that the University of Iowa would be making very modest adjustments to the FY 1996 operating budget in large part because of the very substantial enrollment increase anticipated to be experienced this fall. University officials expect there will be between 500 and 800 more undergraduate students at the university this fall than last fall. As a consequence, university officials expect to present to the Board in the fall a better estimate of costs and revenue. Further, as a function of students already in the pipeline, they anticipate that in the following fall, fall 1996, the university will probably enroll another 400 students for a total of 27,800 to 27,900 students. He noted that the additional students will make it more difficult to implement the 4-year plan for graduation. A number of students had enrolled in the program and parents were very happy with the plan. He said the anticipation that students would find the program appealing had been borne out.

Acting President Nathan said fiscal year 1995 was a record year for receipt of Federal grants and contracts. University officials were taking a conservative view of overhead for next year and were expecting no increases.

MOTION: The motion to approve the final FY 1996 operating budget for the University of Iowa in the amount of \$1,144,401,261 can be found on page 18 of these Minutes.

(b) Iowa State University. The Board Office recommended the Board (1) approve the final FY 1996 operating budget for Iowa State University in the amount of \$626,038,384, and (2) approve the proposed changes to the Professional and Scientific personnel classification system.

The final FY 1996 all funds operating budget for Iowa State University of \$626,038,384 was 4.0 percent greater than FY 1995 estimated expenditures. Further detail of the budget can be found in the Minutes of the June 8, 1995, Board of Regents meeting.

The general fund operating budget was distributed among budget units as follows:

General University	\$247,109,458
Ag. Experiment Station	35,646,198
Cooperative Extension	27,373,660
Inst. Physical Research & Tech	4,123,400
Special Purpose Approps.	2,151,085
Total General Funds	<u>\$316,403,801</u>

A total of \$5.2 million new and reallocated revenue will be used for strategic planning initiatives in accordance with the six goals of Iowa State University's new strategic plan:

Goal #1: Undergraduate Education -- \$2,566,372, including \$675,000 for retention initiatives, \$250,000 for Hixson scholarships (through ISU Foundation), \$290,400 for library acquisitions, and \$454,757 for department supplies and services.

Goal #2: Graduate/Professional Education and Research -- \$1,104,004, including \$333,334 for healthy livestock (1/3), \$159,669 for academic program initiatives, and \$529,440 for research initiatives.

Goal #3: Outreach Efforts -- \$636,329, including \$333,333 for healthy livestock (1/3), \$150,000 for distance education (1/2 from WOI earnings), and \$75,000 for NAFTA export and trade summit.

Goal #4: Stimulating and Supportive Environment -- \$337,437, including \$100,000 for custodial services and \$60,000 for employee orientation and training.

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Goal #5: Technology and Computation Services -- \$150,000 for distance education (1/2 from WOI earnings).

Goal #6: Economic Development Initiatives -- \$373,333, including \$333,333 for healthy livestock (1/3) and \$40,000 for information systems initiative.

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(Insert table from page 3 of the docket memo.)



General university revenue components include:

State appropriations for operations (+5.4%)	\$159,428,645
Tuition and fees (-0.1%)	\$ 77,531,813
Indirect cost recovery (0.0%)	\$ 7,400,000
Interest income (+61.5%)	\$ 1,276,000
Sales and services of (+23.5%)	\$ 210,000
Other income (-5.7%).	\$ 1,263,000

Mandatory cost increases are expected to total \$733,510.

Utility Increases	\$277,032
Opening New Buildings	142,148
Regulatory Costs	127,600
Fire Protection Contract with City of Ames	40,552
Bus Service (Cy Ride)	10,075
State Auditor Charges	23,912
Property Insurance Increases	16,500
Space Rental Increases	7,000
Postal & Printing Cost Increases	52,441
Treasurer's Collections Cost	15,000
FP&M Paper Products Cost Increase	<u>21,250</u>
Total	\$733,510

The FY 1996 budget for the Iowa State University Agriculture and Home Economics Experiment Station was \$35,646,198, an increase of 3.1 percent over FY 1995.

The FY 1996 budget for the Cooperative Extension Service of \$27,373,660 represented a 2.2 percent increase over FY 1995.

The FY 1996 budget of \$4,123,400 for the State of Iowa component of the Institute for Physical Research and Technology (IPRT), which is entirely funded from State appropriations, represented a 3.8 percent increase.

Special Purpose Appropriations

<u>Unit</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>% Increase</u>
Livestock Producers Assistance	\$ 200,000	\$ 100,000	-50.0%
Leopold Center	560,926	560,593	-0.1%
Small Business Development Ctr.	1,151,173	1,214,470	5.5%
Livestock Disease Research	<u>276,186</u>	<u>276,022</u>	<u>-0.1%</u>
	\$2,188,285	\$2,151,085	-1.7%

Proposed Changes to the Professional and Scientific Personnel Classification System

Iowa State University officials requested five staff position additions, six staff position deletions, and 51 staff positions to be classified as exempt positions under the Professional and Scientific personnel classification system.

All positions recommended to be exempt Professional and Scientific positions meet the criteria under the classification system; there are no budget implications.

All the positions recommended for deletion are obsolete within the Professional and Scientific classification system and do not have any incumbents; there are not any budget implications.

With regard to general fund allocations, Iowa State University officials reported that all the colleges of the university have departmental budgets that are submitted to the dean of the college by the department head. Departmental budget increases and priorities are the decision of the dean of the college subject to approval by the provost.

Restricted funds for FY 1996 totaled \$309,634,583, a 2.2 percent increase over estimated FY 1995 revenues.

Revenues and expenditures of \$12,778,618 in the final FY 1996 Athletic budget were unchanged from the amounts included in the preliminary FY 1996 budget.

Proposed revenues totaled \$31,903,961 and proposed expenses for Residence System operations totaled \$27,661,842.

President Jischke stated that Iowa State University was experiencing an approximate 5 percent increase in resources. He said faculty and staff were the most important resource of the university. The budget allowed for competitive salaries. He stressed that nothing was more important to the university than having first-rate people. It was pivotal to the success of the university. Of the new money, he said undergraduate education and retention was the highest priority.

President Jischke concluded by stating this was a good budget and would allow for progress at Iowa State University.

MOTION: Regent Newlin moved to approve the proposed changes to the Professional and Scientific personnel classification system, as presented. Regent Johnson-Matthews seconded the motion. MOTION CARRIED UNANIMOUSLY.

MOTION: The motion to approve the final FY 1996 operating budget for Iowa State University in the amount of \$626,038,384 can be found on page 18 of these Minutes.

(c) University of Northern Iowa. The Board Office recommended the Board approve the FY 1996 final all funds operating budget for the University of Northern Iowa in the amount of \$158,866,600.

The final FY 1996 all funds operating budget for the University of Northern Iowa of \$158,866,600 was .9 percent less than the all funds revised FY 1995 budget of \$160,252,000 because there will be no new academic revenue bond issues in FY 1996. Further detail of the general fund budget can be found in the Minutes of the June 8, 1995, Board of Regents meeting.

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(Insert table from page 3 of the docket memo.)

General fund revenue from tuition and fees was estimated to increase by \$890,190 (to \$27,443,229) or 3.4 percent above the FY 1995 revised budget. This estimate was based on Board-approved rate increases and a slight reduction in enrollment (.6 percent).

Other institutional income was budgeted at \$1,425,000 for FY 1996; this amount was a 14.9 percent decline (\$250,000) from the FY 1995 revised budget.

The increase in State appropriations included the sum of \$2,858,026 for salary adjustments, and \$891,784 for program and strategic planning initiatives. The appropriation also included a base reduction of \$200,000 for the Family Opportunity Plan to encourage the university to privatize services.

Consistent with the university's primary strategic goal of strengthening its academic distinctiveness, the sum of \$300,000 of new funding was designated for improving undergraduate education.

A new tenure-track faculty position was added in Biology to enhance the quality of this program and provide an adequate number of biology courses to meet growing enrollment demands.

A new faculty position was added for Social Science Education; at the present time there are 350 students who have declared a major in one of the teaching programs in the College of Social and Behavioral Sciences.

Funding was provided for each of the five academic colleges for a half-time academic year, technical computer support position. Each college was also allocated funds for additional supplies and services to foster increased undergraduate scholarship/research. Areas within the Division of Student Services significantly enhance the quality of the undergraduate experience and the quality of life for students.

To strengthen undergraduate majors and academic focal areas, the sum of \$150,000 in new funding was allocated to the Department of Industrial Technology to meet the needs of Iowa's industries for well-prepared graduates in Construction Management, Electro-mechanical Systems, Graphics Communications, and Manufacturing Technologies.

To achieve national leadership in teacher education the sum of \$178,784 in new funding was allocated to establish model programs leading to Master's degrees for Iowa's classroom teachers.

State appropriations of \$99,000 would provide an inflationary increase for library acquisitions; in addition, the sum of \$145,400 was transferred to the Library Acquisition budget allocation from the Library's supplies and services.

Resources for the Recycling and Reuse Technology Transfer Center (\$239,745) would continue to provide a program manager, faculty research projects and graduate assistants.

University officials identified \$1.3 million in reallocations. Of this amount, the sum of \$586,670 would be used to strengthen undergraduate majors and academic focal areas and the sum of \$144,950 would be used to enhance the University of Northern Iowa as an economic and cultural center in the community.

The university will implement during FY 1996 a number of items to improve its efficiency and effectiveness.

Individual salary decisions for United Faculty members were made consistent with the Master Collective Bargaining Agreement in effect July 1, 1995, and will average 4.0 percent for FY 1996. Academic administrators and professional and scientific staff received average salary increases of 4.0 percent. The AFSCME Collective Bargaining Agreement provides for a 3.0 percent increase effective July 1, 1995, and individual merit step increases during the year.

Consistent with the university's plan presented last fall, increased tuition revenue from undergraduate rate increases will be allocated for instructional technology.

The sum of \$564,200 was being set-aside to increase financial aid to students.

Tuition revenue generated as a result of graduate rate increases will be dedicated to graduate education.

Student aid represented 19.4 percent of total tuition revenue in FY 1996.

Revenues and expenditures from restricted funds total \$58,324,600.

Projected FY 1996 Athletics revenue increased \$58,227 (to \$4,448,685) from the preliminary budget presented in June 1995. Projected FY 1996 expenses increased \$74,358 (to \$4,367,479) from the preliminary budget presented last month.

The final FY 1996 Residence System budget was unchanged from the preliminary budget presented to the Board in March 1995.

Acting President Marlin stated that the budget before the Regents at this meeting was very similar to the budget the Regents reviewed last month. She said the Regents asked for a report on reallocations to be presented this month. She reported on the

reallocations that had been tracked. She said enrollment projections initially were that enrollments might be down slightly. As orientation takes place it appears that enrollments are running higher than expected and that there will be a slight increase overall in enrollments.

President Pomerantz stated that Acting President Marlin had reviewed the reallocations and found that approximately \$1.3 million in reallocations had taken place. He expressed the Board's appreciation for that effort and noted that reallocations probably were not something with which she had worked previously.

Acting President Marlin stated that reallocation is an ongoing budgetary issue. She said university officials are focused on whether funds are being effectively and efficiently used where they are allocated. She acknowledged that university officials need to devise a better tracking system.

President Pomerantz stated that \$1.3 million probably was not all of the reallocation that could take place and suggested that a higher level might be appropriate given the Board's strategic direction.

President Pomerantz expressed the Board's appreciation to Acting President Marlin for her service as Acting President of the University of Northern Iowa.

Acting President Marlin said she appreciated the confidence and support of the Board. She was delighted with the selection of President Koob and looked forward to working with him.

MOTION: The motion to approve the FY 1996 final all funds operating budget for the University of Northern Iowa in the amount of \$158,866,600 can be found on page 18 of these Minutes.

(d) Iowa School for the Deaf. The Board Office recommended the Board approve the final FY 1996 operating budget for the Iowa School for the Deaf in the amount of \$7,061,379.

The final FY 1996 all funds operating budget for the Iowa School for the Deaf was \$7,061,379, a 2.5 percent increase over the FY 1995 revised budget. The final FY 1996 general fund operating budget for Iowa School for the Deaf was \$6,945,560, a 3.5 percent increase over the FY 1995 revised budget.

The total final FY 1996 general fund operating budget was the same as the preliminary FY 1996 budget approved by the Board in June; however, additional minor reallocations were reflected in the final budget.

The FY 1996 State appropriation for Iowa School for the Deaf was \$6,668,097, a \$255,587 (4.0 percent) increase over FY 1995.

The FY 1996 budget reflected a \$5,000 (12.5 percent) decrease in Federal support anticipated as a result of lower Federal Lunch Program funding.

The FY 1996 budget reflected a \$15,000 (9.4 percent) decrease in sales and services revenue from the FY 1995 revised budget, based on a lower number of students anticipated to utilize interpreting services.

Salary increase costs of \$203,587 would be funded from State appropriations.

The increase in State appropriated funds included the replacement of a school bus.

Savings anticipated from holding an administrative/supervisory position vacant would be reallocated to fund increased audit costs.

The FY 1996 restricted funds budget of \$115,819 represented a 35.3 percent decrease from the FY 1995 revised budget, due to eliminated or reduced grant funding.

Superintendent Johnson stated that the budget was not much different than what was presented last month.

MOTION: The motion to approve the final FY 1996 operating budget for the Iowa School for the Deaf in the amount of \$7,061,379 can be found on page 18 of these Minutes.

(e) Iowa Braille and Sight Saving School. The Board Office recommended the Board approve the final FY 1996 operating budget for the Iowa Braille and Sight Saving School in the amount of \$4,439,572.

The final FY 1996 all funds operating budget was \$4,439,572, a 1.7 percent increase over the FY 1995 revised budget. The final FY 1996 general fund operating budget was \$3,898,426, a 2.3 percent increase over the FY 1995 revised budget.

The FY 1995 budget included funding of \$45,737 for ADA compliance.



The final FY 1996 budget was developed in accordance with the school's strategic plan.

The final FY 1996 budget was \$357 higher than the preliminary FY 1996 budget approved by the Board in June. The primary change from the preliminary FY 1996 budget was the incorporation of the funding from the Eisenhower Math and Science Grant.

A total of \$41,219 would be used to support general fund staff salaries for new activities performed in accordance with the grant contract. This will allow extra-curricular faculty stipends (\$18,287) and general service summer school salaries (\$22,932) to be paid from general operating funds rather than the school's endowment funds for FY 1996.

The State appropriation of \$3,701,066, represented a \$151,914 increase (4.3 percent) over FY 1995.

The FY 1996 budget reflected a decrease in Federal support of \$13,814 (12.9 percent) which was primarily the result of a projected decrease in large print production, which has been on the decline due to the effectiveness of the low vision clinics sponsored by the school's outreach program.

The FY 1996 budget reflected a \$6,457 (43.3 percent) increase in reimbursed indirect costs as a result of funding from the State Vision and the Eisenhower Grants.

The FY 1996 budget reflected a \$12,820 (23.6 percent) decrease in sales and services revenue, which was primarily the result of a non-recurring service agreement with an area education agency to fill a void in the AEA's staffing needs.

Salary adjustment costs of \$115,732 will be funded from State appropriations.

State appropriated funds of \$52,000 were allocated for the replacement of a school bus.

Iowa Braille and Sight Saving School officials reported continued extensive efforts to achieve efficiency and effectiveness.

The FY 1996 Restricted Funds budget was \$541,146, which represented a decrease of \$11,516 (2.1 percent) from FY 1995.

Superintendent Thurman stated that school officials had listed in the strategic plan the reallocations that have been undertaken to accomplish the plan. He noted that one aspect of reallocation was refocusing what a faculty or staff member does versus actual movement of money from one place to another.

MOTION: The motion to approve the final FY 1996 operating budget for the Iowa Braille and Sight Saving School in the amount of \$4,439,572 can be found on page 18 of these Minutes.

(f) Regional Study Centers. The Board Office recommended the Board approve FY 1996 budgets for the Quad-Cities Graduate Study Center (\$339,000), Tri-State Graduate Study Center (\$140,336) and Southwest Iowa Regents Resource Center (\$73,538).

The FY 1996 Iowa educational appropriations for the study centers totaled \$294,571; this was the same amount as was appropriated for FY 1995. In addition, in May 1995 the Board allocated \$7,756 in salary increase funds to the regional study centers to fund an average 4 percent salary increase.

Last month the Board approved the distribution of FY 1996 appropriations, including salary increase funds, as follows:

<u>Center</u>	<u>Amount</u>
Quad-Cities Graduate Study Center	\$154,278
Tri-State Graduate Study Center	\$ 74,511
Southwest Iowa Regents Resource Center	<u>\$ 73,538</u>
Total	\$302,327

#### Quad-Cities Graduate Study Center

The FY 1996 appropriation for the center from the State of Iowa was \$154,278; this amount included \$3,904 to fund an average 4 percent salary increase. The center anticipates receiving approximately \$172,000 from the State of Illinois for FY 1996 and estimates sales and services revenues at \$12,722 for a total budget of \$339,000.

#### Tri-State Graduate Study Center

The center's FY 1996 Iowa appropriation was \$74,511; this amount included \$1,976 to fund an average 4 percent salary increase. The FY 1996 budget for the center included \$40,000 from the State of Nebraska, \$3,000 from the State of South Dakota and \$2,500 from Wayne State College.

Other income, which included carryforward funds from FY 1995, totaled \$20,325; the Tri-State Graduate Study Center's total FY 1996 budget was \$140,336.

Since a portion of the FY 1996 budget was being funded with carryforward funds, there needed to be a sufficient infusion of new funds to enable the center to function adequately in years following FY 1996.

Southwest Iowa Regents Resource Center

The FY 1995 appropriation for the center was \$73,538; this amount included \$1,876 to fund an average 4 percent salary increase. The center is supported solely by Iowa contributions

MOTION: The motion to approve FY 1996 budgets for the Quad-Cities Graduate Study Center (\$339,000), Tri-State Graduate Study Center (\$140,336) and Southwest Iowa Regents Resource Center (\$73,538) can be found on page 18 of these Minutes.

(g) Lakeside Laboratory. The Board Office recommended the Board approve the all funds FY 1996 final operating budget of \$344,746 for the Iowa Lakeside Laboratory, including \$303,751 in general funds to be funded as follows:

University of Iowa	\$151,451
Iowa State University	92,300
University of Northern Iowa	<u>60,000</u>
Total	\$303,751

The general fund budget was increased by \$3,751 to provide for salary increases; salary increases were not included in the preliminary FY 1996 budget presented in June. The FY 1996 general fund budget included one new salary item; the sum of \$3,713 in hourly funds was included for a half-time summer intern to help organize and teach the new non-credit course for local residents and visitors.

Room and board revenue and expenses were budgeted at \$40,995.

Funding by the universities of the general fund portion of the budget was recommended as agreed to by the universities:

<u>Institution</u>	<u>Amount</u>	<u>Percentage</u>
University of Iowa	\$151,451	49.9%
Iowa State University	92,300	30.4%
University of Northern Iowa	<u>60,000</u>	<u>19.7%</u>
Total	\$303,751	100.0%

**MOTION:** The motion to approve the all funds FY 1996 final operating budget of \$344,746 for the Iowa Lakeside Laboratory, including \$303,751 in general funds to be funded as presented, can be found on page 18 of these Minutes.

**PRELIMINARY BUDGET REQUESTS FOR FISCAL YEARS 1997 AND 1998.** The Board Office recommended the Board receive reports on the FY 1997 and FY 1998 general fund operating budget requests of the Regent institutions and preliminary Board Office recommendations.

Final FY 1997 and FY 1998 recommendations would be submitted to the Board for approval in September.

Preliminary recommendations of the Board Office would be revised based on Board comments and further review with the institutions.

Regent institutions requested total general fund operating budgets (exclusive of salary increases) of \$1.20 billion for FY 1997, and \$1.24 billion for FY 1998. The request included \$590,592,594 in total State appropriations for operations for FY 1997, an increase of 6.6 percent, and \$624,680,972 in FY 1998, which represented a 5.8 percent increase.

The primary emphases of the requests were:

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

Appropriations requests submitted by the institutions were based on the Board of Regents' goals and institutional strategic plans.

Projected revenue from sources other than State appropriations, including tuition revenues, were based on FY 1996 projections.

The preliminary Board Office recommendation for FY 1997 State appropriations for the five Regent institutions was \$570,573,270, an increase of 3.0 percent over FY 1996; and \$586,970,686 for FY 1998, an increase of 2.9 percent over FY 1997. The recommended amounts were exclusive of funds for Regent salary increases.

Preliminary estimates for FY 1997 salary increases and annualization were \$24.4 million; these estimates would be refined by the Board Office and institutions and included in the final FY 1997 budget request presented to the Board in September. Salary annualization funding of \$1,099,359 was requested in FY 1997; however, the requests were being further reviewed by the Board Office and recommended funding levels would be included in the final FY 1997 and FY 1998 budget presented to the Board in September.

Inflation funding of \$6,804,095 was requested and \$5,446,932 was recommended in FY 1997, based on the following inflation rates: general (3.0 percent), library (8.5 percent) and utilities (institutional assumptions).

Building repair funding of \$3,680,993 was requested and \$2,890,975 was recommended for FY 1997, which represented the continuation of a five-year program to bring building renewal funding up to the minimal level necessary.

Opening new buildings funding of \$262,750 was recommended as requested for FY 1997 for maintenance, cleaning and utilities costs associated with the operation of new and remodeled facilities.

Funding of \$4,100,00 was requested and \$1,200,000 was recommended (\$400,000 to each university) in FY 1997 to meet the educational needs of undergraduates at Regent universities.

Funding of \$1,350,00 was requested and \$650,000 was recommended in FY 1997 to provide additional funding for graduate assistant stipends and benefits at the University of Iowa and for tuition scholarships at Iowa State University.

Higher education access funding of \$959,000 was requested and \$600,000 was recommended (\$200,000 for each university) in FY 1997 to assist in the recruitment and retention of minority students.

Child care funding of \$260,000 was requested and \$170,000 was recommended in FY 1997 to provide child care services to student families.

The recommended increases in State appropriations for FY 1997 and FY 1998 were allocated as follows:

Requested and Recommended Appropriation Increases - Regent Institutions  
FY 1997

	<u>FY 1997</u> <u>Request</u>	<u>%</u> <u>Increase</u>	<u>FY 1997</u> <u>Recommendation</u>	<u>%</u> <u>Increase</u>	<u>Difference between</u> <u>Request and</u> <u>Recommendation</u>
<u>University of Iowa</u>					
General University	\$ 12,698,000	6.3	\$6,945,333	3.4	\$ 5,752,667
University Hospitals	2,645,475	9.0	1,413,170	4.8	1,232,305
Psychiatric Hospital	110,899	1.5	72,631	1.0	38,268
Hospital School	272,000	4.6	79,867	1.4	192,133
Oakdale	137,200	4.8	120,100	4.2	17,100
Hygienic Laboratory	182,625	5.5	30,267	0.9	152,358
Family Practice	4,450	0.2	2,133	0.1	2,317
SCHS CA/HE	27,850	6.0	800	0.2	27,050
Special Purpose	<u>3,452,209</u>	<u>126.4</u>	<u>(413,890)</u>	<u>(15.2)</u>	<u>3,866,099</u>
Total	\$ 19,530,708	7.6	\$8,250,411	3.2	\$11,280,297

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	<u>FY 1997 Request</u>	<u>% Increase</u>	<u>FY 1997 Recommendation</u>	<u>% Increase</u>	<u>Difference between Request and Recommendation</u>
<u>Iowa State University</u>					
General University	\$ 11,484,887	7.2	5,253,296	3.3	\$ 6,231,591
Experiment Station	232,231	0.7	142,929	0.5	89,302
Cooperative Extension Service	710,951	3.7	233,109	1.2	477,842
IPRT	576,486	14.0	150,186	3.6	426,300
Special Purpose	<u>(43,826)</u>	<u>(2.0)</u>	<u>(63,734)</u>	<u>(3.0)</u>	<u>19,908</u>
Total	\$ 12,960,729	6.0	\$ 5,715,786	2.6	\$ 7,244,943
University of Northern Iowa	\$ 3,643,000	5.1	\$ 2,387,667	3.3	\$ 1,255,333
Iowa School for the Deaf	\$ 396,966	6.0	\$ 160,326	2.4	\$ 236,640
Iowa Braille & Sight Saving	<u>\$ 219,709</u>	<u>6.0</u>	<u>\$ 113,598</u>	<u>3.1</u>	<u>\$ 106,111</u>
TOTAL INCREMENT	\$36,751,112	6.6	16,627,788	3.0	\$20,123,324

FY 1998

	<u>FY 1998 Request</u>	<u>% Increase</u>	<u>FY 1998 Recommendation</u>	<u>% Increase</u>	<u>Difference between Request and Recommendation</u>
<u>University of Iowa</u>					
General University	\$12,559,000	5.9	\$ 6,514,553	3.1	\$ 6,044,447
University Hospitals	2,926,521	9.1	1,500,201	4.9	1,426,320
Psychiatric Hospital	109,687	1.5	68,789	0.9	40,898
Hospital School	331,460	5.4	77,385	1.3	254,075
Oakdale	117,000	3.9	99,076	3.3	17,924
Hygienic Laboratory	183,525	5.3	31,175	0.9	152,350
Family Practice	154,650	7.5	152,197	7.4	2,453
SCHS CA/HE	27,850	5.7	824	0.2	27,026
Special Purpose	<u>89,026</u>	<u>1.4</u>	<u>(200,035)</u>	<u>(8.6)</u>	<u>289,061</u>
Total	\$16,498,719	6.0	\$ 8,244,165	3.1	\$ 8,254,554
<u>Iowa State University</u>					
General University	\$12,092,988	7.1	\$ 5,176,917	3.1	\$ 6,916,071
Experiment Station	235,356	0.7	147,454	0.5	87,902
Cooperative Ext. Service	715,559	3.6	237,116	1.2	478,443
IPRT	580,241	12.3	151,692	3.5	428,549
Special Purpose	<u>57,921</u>	<u>2.7</u>	<u>37,354</u>	<u>1.8</u>	<u>20,567</u>
Total	\$13,682,065	6.0	\$ 5,750,533	2.6	\$ 7,931,532
	<u>FY 1998</u>	<u>%</u>	<u>FY 1998</u>	<u>%</u>	<u>Difference between Request and</u>

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	<u>Request</u>	<u>Increase</u>	<u>Recommendation</u>	<u>Increase</u>	<u>Recommendation</u>
Iowa School for the Deaf	\$ 420,783	6.0	\$ 101,988	1.5	\$ 318,795
Iowa Braille & Sight Saving	<u>\$ 225,811</u>	<u>6.0</u>	<u>\$ 54,343</u>	<u>1.4</u>	<u>\$ 171,468</u>
TOTAL INCREMENT	\$34,202,378	5.8	\$16,457,416	2.9	\$17,744,962

Salary Annualization

	<u>FY 1997</u>	<u>FY 1998</u>
	<u>Request</u>	<u>Request</u>
University of Iowa	\$ 727,856	\$ 752,555
Iowa State University	283,352	217,963
University of Northern Iowa	60,000	63,000
Iowa School for the Deaf	19,534	18,284
Iowa Braille & Sight Saving	<u>8,617</u>	<u>5,413</u>
Total	\$1,099,359	\$1,057,215

The requests submitted by the institutions for salary annualization funding were to further reviewed and analyzed by the Board Office, and recommended funding levels were to be included in the final FY 1997 and FY 1998 budget request presented to the Board in September.

Inflation

	<u>FY 1997</u>		<u>FY 1998</u>	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
University of Iowa	\$3,892,855	\$3,186,067	\$4,043,104	\$3,273,176
Iowa State University	2,267,207	1,785,634	2,650,819	2,133,131
University of Northern Iowa	556,000	410,667	585,000	429,387
Iowa School for the Deaf	59,436	43,461	62,297	45,123
Iowa Braille & Sight Saving	<u>28,597</u>	<u>21,103</u>	<u>29,903</u>	<u>21,848</u>
Total	\$6,804,095	\$5,446,932	\$7,371,123	\$5,902,665

The institutional appropriation requests included a general rate of price inflation of 4.5 percent for supplies, services, and equipment. That figure was based upon an analysis of the Higher Education Price Index (HEPI) by Charles Whiteman, Director of the University Institute for Economic Research. The Board Office recommendation for price inflation was 3 percent.



An 8.5 percent price increase was requested for library acquisitions based on projections by the university librarians.

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

Building Repair

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
University of Iowa	\$1,246,213	\$1,246,213	\$1,246,213	\$1,246,213
Iowa State University	1,697,420	907,402	1,697,420	907,402
University of Northern Iowa	652,000	652,000	652,000	652,000
Iowa School for the Deaf	52,865	52,865	52,865	52,865
Iowa Braille & Sight Saving	<u>32,495</u>	<u>32,495</u>	<u>32,495</u>	<u>32,495</u>
Total	\$3,680,993	\$2,890,975	\$3,680,993	\$2,890,975

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

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

Opening New Buildings

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
University of Iowa	\$250,000	\$250,000	\$ 93,586	\$ 93,586
Iowa State University	12,750	12,750	215,863	0
University of Northern Iowa	<u>0</u>	<u>0</u>	<u>375,000</u>	<u>375,000</u>
Total	\$262,750	\$262,750	\$684,449	\$468,586

The requests supported the need of the universities to secure adequate funding for the operation of new and remodeled facilities, including maintenance, cleaning and utilities. No program funding was included.

Undergraduate Education/Enrollment Growth

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	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
University of Iowa	\$1,400,000	\$ 400,000	\$1,400,000	\$ 400,000
Iowa State University	1,500,000	400,000	1,500,000	400,000
University of Northern Iowa	<u>1,200,000</u>	<u>400,000</u>	<u>700,000</u>	<u>400,000</u>
Total	\$4,100,000	\$1,200,000	\$3,600,000	\$1,200,000

One of the top priorities of the Board of Regents and the institutions is additional funds to meet the educational needs of undergraduates at Regent universities. Funding of \$400,000 for both FY 1997 and FY 1998 was recommended for each university.

Funding for the University of Iowa will provide additional support for start-up costs, academic advising and student services, and the recently-established Center for Teaching. Iowa State University will direct the additional funds for freshmen retention and expanding international experiences for students. The University of Northern Iowa will direct its funding to the initiative, "Expanding the Classroom," which will provide opportunities for more undergraduate students to be involved in scholarship and original research, under the guidance of a faculty member.

Graduate Assistants

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
University of Iowa	\$ 350,000	\$350,000	\$ 0	\$ 0
Iowa State University	<u>1,000,000</u>	<u>300,000</u>	<u>1,600,000</u>	<u>300,000</u>
Total	\$1,350,000	\$650,000	\$1,600,000	\$300,000

Funding of \$350,000 in FY 1997 will complete a three-year plan to improve University of Iowa graduate assistant stipends and benefits. Funding at Iowa State University of \$300,000 in both FY 1997 and FY 1998 will provide supplemental funding for tuition scholarships for graduate assistants.

Higher Education Access

	FY 1997	FY 1998
	<u>Request</u>	<u>Request</u>
	<u>Recommendation</u>	<u>Recommendation</u>
University of Iowa	\$259,000	\$259,000
Iowa State University	500,000	500,000
University of Northern Iowa	<u>200,000</u>	<u>200,000</u>
Total	\$959,000	\$959,000

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

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

Child Care

	FY 1997	FY 1998
	<u>Request</u>	<u>Request</u>
	<u>Recommendation</u>	<u>Recommendation</u>
University of Iowa	\$ 60,000	\$ 60,000
Iowa State University	150,000	150,000
University of Northern Iowa	<u>50,000</u>	<u>50,000</u>
Total	\$260,000	\$260,000

Funding of \$60,000 for FY 1997 and FY 1998 for the University of Iowa will expand the number of student families that can be served. Funding of \$60,000 for FY 1997 and FY 1998 for Iowa State University will subsidize the child care center fees for students and lower-paid staff. Funding of \$50,000 for FY 1997 and FY 1998 for the University of Northern Iowa will provide child care for students on the waiting list and provide flexible part-time care.

Institutional Initiatives Requested and Recommended

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
University of Iowa	\$11,344,784	\$2,558,131	\$ 8,644,261	\$2,971,190
Iowa State University	5,550,000	2,050,000	5,150,000	1,750,000
University of Northern Iowa	925,000	675,000	750,000	200,000
Iowa School for the Deaf	265,131	64,000	287,337	4,000
Iowa Braille & Sight Saving	<u>150,000</u>	<u>60,000</u>	<u>158,000</u>	<u>0</u>
Total	\$18,234,915	\$5,407,131	\$14,989,598	\$4,925,190

The Board Office recommended funding of institutional initiatives as follows:

	<u>FY 1997</u> <u>Recommendation</u>	<u>FY 1998</u> <u>Recommendation</u>
<b>SUI</b>		
Libraries	\$ 652,000	\$ 652,000
Biosciences Initiative	500,000	500,000
Primary Health Care	330,000	375,000
Educational Computing and Networking	500,000	500,000
Family Practice	0	150,000
UIHC	1,000,000	1,000,000
Iowa Birth Defects Registry	200,000	0
Other Special Purpose	<u>(623,869)</u>	<u>(205,810)</u>
Total - SUI	\$2,558,131	\$2,971,190
<b>ISU</b>		
Healthy Livestock for Iowa	\$1,200,000	\$ 800,000
Improving ISU's Research Capacity	200,000	200,000
Distance Education	200,000	200,000
Value-Added Products	250,000	250,000
ADA Compliance	100,000	100,000
Cooperative Education	100,000	100,000
IPRT	100,000	100,000
Livestock Producers Assistance Program	<u>(100,000)</u>	<u>0</u>
Total - ISU	\$2,050,000	\$1,750,000
<b>UNI</b>		
Professional Development for Iowa's Educators	\$ 500,000	\$ 200,000
Juvenile Justice Initiative/Study	<u>175,000</u>	<u>0</u>
Total - UNI	\$ 675,000	\$ 200,000
	<u>FY 1997</u>	<u>FY 1998</u>

	<u>Recommendation</u>	<u>Recommendation</u>
ISD		
Technology	10,000	0
Libraries	4,000	4,000
Textbooks	50,000	0
Total - ISD	\$ 64,000	4,000
IBSSS		
Replace Accounting System	60,000	0
Total	\$5,407,131	\$4,925,190

Rationale for Institutional Initiatives Recommended in FY 1997 and FY 1998

Funding recommended in both FY 1997 and FY 1998 of \$652,000 to the University of Iowa libraries budget will be used to more fully meet critical campus information needs.

Funding of \$500,000 in FY 1997 and FY 1998 was recommended to continue support of the University of Iowa's Biosciences Initiative.

Recommended funding of \$330,000 in FY 1997 and \$375,000 in FY 1998 will continue the state's positive support for the UI Health Center's Primary Health Care Initiative.

Funding of \$500,000 in FY 1997 and FY 1998 for the University of Iowa's Educational Computing and Networking was recommended to update and expand educational computing technologies.

An additional appropriation of \$150,000 was recommended for the Family Practice Program in FY 1998 to accommodate program expansion by a total of 10 training positions over the current complement of 181.

Increased State appropriations of \$1,000,000 were recommended for both FY 1997 and FY 1998 to replace paying patient revenues no longer available to subsidize the Indigent Patient Care Program.

Support of \$200,000 was recommended in FY 1997 for the Iowa Birth Defects Registry to supplement Federal funding and reinstate statewide registry functions on a permanent basis.

Funding of \$1,200,000 in FY 1997 and \$800,000 in FY 1998 was recommended in continued support of Iowa State University's Healthy Livestock Initiative to enhance and

modernize livestock research, service and teaching in the College of Veterinary Medicine.

Recommended funding of \$200,000 for each FY 1997 and FY 1998 would improve Iowa State University's research capacity; the funds would be used to maintain equipment, provide technical help to allow wider use of research facilities, provide laboratory animal attendants at the level required for accreditation, and provide services to faculty in processing proposals and awards.

Funding of \$200,000 for both FY 1997 and FY 1998 was recommended to support Iowa State University's distance education in the installation and maintenance costs for ICN classrooms.

Funding of \$250,000 for FY 1997 and FY 1998 was recommended to support Iowa State University's Value-Added Products Laboratory for the development of new technologies for adding value to Iowa-grown crops.

Funding of \$100,000 in both FY 1997 and FY 1998 was recommended to support the structural changes necessary to achieve program accessibility for Iowa State University's ADA Compliance.

Funding of \$100,000 for FY 1997 and FY 1998 was recommended for Iowa State University's Cooperative Education to support the Iowa Pork Industry Center.

Funding of \$100,000 for both FY 1997 and FY 1998 was recommended to support Iowa State University's Institute for Physical Research and Technology commercialization activities.

The sums of \$500,000 in FY 1997 and \$200,000 in FY 1998 were recommended for the University of Northern Iowa to train current K-12 teachers in the use of instructional technology, with an emphasis on the ICN.

Funding of \$175,000 in FY 1997 was recommended to support the University of Northern Iowa's Juvenile Justice Initiative, which will provide a repository for resources on criminal justice issues.

Funding of \$10,000 was recommended in FY 1997 for the Iowa School for the Deaf to purchase new computers and update the campus-wide electronic communication system.

Funding of \$4,000 was recommended in both FY 1997 and FY 1998 for the Iowa School for the Deaf to purchase additional library materials to augment the instructional reading program.

Funding of \$50,000 for FY 1997 was recommended for the Iowa School for the Deaf to purchase textbooks and materials for special instructional programs.

Funding recommended for the Iowa Braille and Sight Saving School included \$60,000 in FY 1997 to replace the school's obsolete accounting system.

Mr. Richey stated that the requests before the Board were the appropriations requests of the institutions. He said that in September the Board would consider tuition policy with final action to be taken in October. The combination of those two decisions represented the core of the institutional general operating budgets for the subsequent fiscal year. He summarized the requested increases and the recommendations of the Board Office, noting that the figures did not include general salary policy for fiscal year 1997 which had already been established. The institutional requests for increases in operating funds were 6.6 percent aggregated; the Board Office recommendation was for a 3 percent increase.

Mr. Richey stated that undergraduate education was the preeminent priority of the Board. The Board Office recommended requesting \$1.2 million for that purpose, to be divided equally among the three universities. The recommended funding request for graduate assistant stipends at the University of Iowa was for the third year of a 3-year program adopted by the Board. He noted that Iowa State University had similar needs for increasing compensation of graduate assistants. With regard to the building repair program, he said the Board Office recommendation was designed as the first year of a 5-year program to stop the accumulation of deferred maintenance.

Mr. Richey reviewed the funding requests and recommendations for initiatives that were unique to each university, noting that the recommendation concerning juvenile justice at the University of Northern Iowa represented a broadening of the offerings of the University of Northern Iowa. The breadth of the curriculum has been a concern of university officials in the past.

Mr. Richey said the Board Office recommended an approximate 7 percent increase in total appropriations for fiscal year 1997 versus fiscal year 1996, when salary increases were factored in. The Board Office sought a balance in terms of interests and prior Board actions. With regard to the fiscal year 1998 requests, he said the legislature would not take action on the FY 1998 requests but requires two-year projections.

Mr. Richey said the recommended action relative to tuition will include both the rates and the purposes for which the proceeds should be used. The Board Office will consult with university officials in the process of developing its recommendations.

**ACTION:** President Pomerantz stated the Board received reports on the FY 1997 and FY 1998 general fund operating budget requests of the Regent institutions and preliminary Board Office recommendations, by general consent.

(a) University of Iowa. The Board Office recommended the Board receive the report on the FY 1997 and FY 1998 general fund operating budget request of the University of Iowa and preliminary Board Office recommendations.

	FY 1997		FY 1997
	<u>Request</u>	<u>% Increase</u>	<u>Recommendation</u> <u>% Increase</u>
<u>University of Iowa</u>			
General University	\$214,134,563	6.3	\$208,381,896 3.4
University Hospitals	32,046,962	9.0	30,814,657 4.8
Psychiatric Hospital	7,324,465	1.5	7,286,197 1.0
Hospital School	6,186,972	4.6	5,994,839 1.4
Oakdale	3,023,979	4.8	3,006,879 4.2
Hygienic Laboratory	3,476,559	5.5	3,324,201 0.9
Family Practice	2,064,116	0.2	2,061,799 0.1
SCHS CA/HE	492,009	6.0	464,799 0.2
Special Purpose	<u>6,183,353</u>	<u>126.4</u>	<u>2,317,254</u> <u>-15.2</u>
Total	<u>\$274,932,978</u>	<u>7.6</u>	<u>\$263,652,681</u> <u>3.2</u>

	FY 1998		FY 1998
	<u>Request</u>	<u>% Increase</u>	<u>Recommendation</u> <u>% Increase</u>
<u>University of Iowa</u>			
General University	\$226,693,563	5.9	\$214,896,449 3.1
University Hospitals	34,973,483	9.1	32,314,858 4.9
Psychiatric Hospital	7,434,152	1.5	7,354,986 0.9
Hospital School	6,518,432	5.4	6,072,224 1.3
Oakdale	3,140,979	3.9	3,105,955 3.3
Hygienic Laboratory	3,660,084	5.3	3,355,376 0.9
Family Practice	2,218,766	7.5	2,213,996 7.4
SCHS CA/HE	519,859	5.7	465,783 0.2
Special Purpose	<u>6,272,379</u>	<u>1.4</u>	<u>2,117,219</u> <u>-8.6</u>
Total	<u>\$291,431,697</u>	<u>6.0</u>	<u>\$271,896,846</u> <u>3.1</u>



The preliminary Board Office recommendation for State appropriation funding for FY 1997 was \$263,652,681 (3.2 percent) and for FY 1998 was \$271,896,846 (3.1 percent).

The University of Iowa's request for State appropriations for operations for FY 1997 was \$274,932,978 (7.6 percent) and for FY 1998 was \$291,431,697 (6.0 percent).

Salary annualization funding was being reviewed by the Board Office and would be included in the final FY 1997 and FY 1998 operating budget requests presented to the Board in September.

Inflation was recommended as follows:

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
General	\$2,150,302	\$1,443,514	\$2,252,244	\$1,482,316
Utilities	1,181,553	1,181,553	1,182,860	1,182,860
Library	<u>561,000</u>	<u>561,000</u>	<u>608,000</u>	<u>608,000</u>
Total	\$3,892,855	\$3,186,067	\$4,043,104	\$3,273,176

Opening new building funds were recommended as follows:

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
General Education Fund	\$250,000	\$250,000	\$ 0	\$ 0
UIHC	<u>0</u>	<u>0</u>	<u>\$93,586</u>	<u>\$93,586</u>
Total	\$250,000	\$250,000	\$93,586	\$93,586

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Undergraduate Education	\$1,400,000	\$400,000	\$1,400,000	\$400,000

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Child Care	\$60,000	\$60,000	\$60,000	\$60,000

Institutional Initiatives

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Libraries	\$652,000	\$652,000	\$652,000	\$652,000

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Graduate Assistant Stipends & Benefits	\$350,000	\$350,000	\$0	\$0

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Graduate and Professional Education	\$300,000	\$0	\$600,000	\$0

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Educational Computing and Networking	\$1,500,000	\$500,000	\$1,500,000	\$500,000

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Instructional Equipment	\$1,000,000	\$0	\$1,000,000	\$0

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Biosciences	\$800,000	\$500,000	\$800,000	\$500,000

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Minority and Economically Disadvantaged Student Access	\$259,000	\$200,000	\$259,000	\$200,000

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Recruiting and Maintaining Minority Faculty	\$200,000	\$0	\$200,000	\$0

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Statewide Geriatric Health Services	\$271,000	\$0	\$256,000	\$0

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Primary Health Care	\$330,000	\$330,000	\$375,000	\$375,000

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Iowa Network - Computerized Health	\$545,000	\$0	\$492,000	\$0

### Oakdale Campus

University officials were considering a number of programmatic needs for the Oakdale Campus; any adjustments made by the university to the budget request for the Oakdale Campus will be included in the final FY 1997 and FY 1998 budget requests presented to the Board in September.

Family Practice

	FY 1997	FY 1998
	<u>Request</u>	<u>Recommendation</u>
Family Practice Program Expansion	\$0	\$150,000

University of Iowa Hospitals and Clinics

	FY 1997	FY 1998
	<u>Request</u>	<u>Recommendation</u>
Indigent Patient Care Program - State Appropriation Support Shortfall	\$2,000,000	\$1,000,000

University Hospital School

The Board Office recommended no new programs or program expansions for the Hospital School.

	FY 1997	FY 1998
	<u>Request</u>	<u>Recommendation</u>
Comprehensive Assistive Technology Svcs.	\$50,700	\$0

	FY 1997	FY 1998
	<u>Request</u>	<u>Recommendation</u>
Outpatient Biobehavioral Service	\$93,500	\$0

University Hygienic Laboratory

The Board Office recommended no new programs or program expansions for the University Hygienic Laboratory (UHL).

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Safety Renovation Program	\$30,550	\$0	\$0	\$0

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Molecular Epidemiology and Surveillance Program	\$31,800	\$0	\$71,250	\$0

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Environmental Parasitological Monitoring Unit	\$12,500	\$0	\$13,900	\$0

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Enhanced Communications Program	\$22,000	\$0	\$5,500	\$0

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Air Quality Monitoring Program	\$26,975	\$0	\$31,675	\$0

SCHS - Cancer, Hemophilia, High Risk Infant

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Study	\$26,550	\$0	\$26,550	\$0

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Special Purpose Appropriations

	FY 1996 <u>Budget</u>	FY 1997 <u>Request</u>	FY 1997 <u>Recomm.</u>	FY 1998 <u>Request</u>	FY 1998 <u>Recomm.</u>
Center for Ag Health & Safety	\$ 253,213	\$ 400,000	\$ 255,547	\$ 416,800	\$ 257,951
Center Biocatalysis & Bioprocessing	1,293,776	1,017,000	1,017,000	1,135,700	1,135,700
Center for Advanced Drug Development	318,299	333,440	323,348	259,338	259,338
Iowa Substance Abuse Consortium	64,037	98,976	64,167	103,319	64,301
Center for Global/Regional Env Research	0	500,000	0	500,000	0
Center for Health Effects of Environmental Contamination	0	195,000	0	450,000	0
National Advanced Driving Simulator	607,593	2,935,500	260,500	2,675,000	0
Iowa Birth Defects Registry	0	323,437	200,000	337,022	200,697
State of Iowa Cancer Registry	<u>194,226</u>	<u>380,000</u>	<u>196,692</u>	<u>395,200</u>	<u>199,232</u>
Total	\$2,731,144	\$6,183,353	\$2,317,254	\$6,272,379	\$2,117,219

	FY 1997 <u>Request</u>	FY 1997 <u>Recommendation</u>	FY 1998 <u>Request</u>	FY 1998 <u>Recommendation</u>
Iowa Center for Agricultural Safety and Health	\$400,000	\$255,547	\$416,800	\$257,951

	FY 1997 <u>Request</u>	FY 1997 <u>Recommendation</u>	FY 1998 <u>Request</u>	FY 1998 <u>Recommendation</u>
Center for Biocatalysis and Bioprocessing	\$1,017,000	\$1,017,000	\$1,135,700	\$1,135,700

	FY 1997 <u>Request</u>	FY 1997 <u>Recommendation</u>	FY 1998 <u>Request</u>	FY 1998 <u>Recommendation</u>
Center for Advanced Drug Development	\$333,440	\$323,348	\$259,338	\$259,338

	FY 1997 <u>Request</u>	FY 1997 <u>Recommendation</u>	FY 1998 <u>Request</u>	FY 1998 <u>Recommendation</u>
Iowa Substance Abuse Consortium	\$98,976	\$64,167	\$103,319	\$64,301

	FY 1997	FY 1998
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	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Center for Global and Regional Environmental Research	\$500,000	\$0	\$500,000	\$0

	FY 1997	FY 1998
	<u>Request</u>	<u>Recommendation</u>
Center for Health Effects of Environmental Contamination	\$195,000	\$450,000

	FY 1997	FY 1998
	<u>Request</u>	<u>Recommendation</u>
National Advanced Driving Simulator	\$2,935,500	\$2,675,000

### Health Registries

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

	FY 1997	FY 1998
	<u>Request</u>	<u>Recommendation</u>
Iowa Birth Defects Registry	\$323,437	\$337,022

	FY 1997	FY 1998
	<u>Request</u>	<u>Recommendation</u>
State of Iowa Cancer Registry	\$380,000	\$395,200

Programs Supported by Wallace Technology Transfer Foundation

Two programs at the University of Iowa previously have received funding from the Wallace Technology Transfer Foundation.

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Oakdale Research Park	\$221,000	\$221,000	\$221,000	\$221,000

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Technology Innovation Center	\$175,000	\$100,000	\$175,000	\$100,000

Acting President Nathan thanked the Board Office for recognizing the need for funding the libraries and biosciences initiative and for being willing to fund the continuing need for building repair. He said all three were very high priority needs. The financial support will help make the University of Iowa a better university. He was also pleased about the recognition of educational computing and networking needs. The substantial recommendation would support efforts to address the needs from non-appropriated funds. He thanked the Board Office for recognizing the University of Iowa Hospitals and Clinics' costs to serve indigent patients. He said that was a most important recognition.

Acting President Nathan asked the Board's consideration of several additional high priority program needs, noting that university staff were prepared to work with the Board Office to amplify the need. First, he asked that the Regents consider an additional amount beyond the \$400,000 recommended for undergraduate education. University officials were anticipating 500 to 800 additional undergraduates. They need the resources for additional permanent faculty. Faculty have been asked to teach additional and larger classes. Faculty take teaching very seriously. He stressed that there were additional substantial expenses associated with providing students with a whole range of items needed including classroom space and instructional equipment.

Acting President Nathan said the Hygienic Laboratory has a new director. A series of new programs have been launched to renew examination of the laboratory's needs. Although the requested items were relatively small, their funding would send an important message.



Acting President Nathan's final request for reconsideration was for additional special purpose appropriations to fund the cancer registry. He stated that funding was especially important in developing a cancer center in the health sciences complex.

President Pomerantz asked for a summary of the additional funding requested. Acting President Nathan responded that the additional amount requested for undergraduate education was \$300,000 to \$400,000; an additional \$50,000 was requested for the University Hygienic Laboratory, and \$200,000 for the cancer registry.

President Pomerantz stated that those items would be considered.

Regent Newlin asked that in addressing those additional funding requests, university officials identify from where in the budget other funding would be cut.

**ACTION:** President Pomerantz stated the Board received the report on the FY 1997 and FY 1998 general fund operating budget request of the University of Iowa and preliminary Board Office recommendations, by general consent.

(b) Iowa State University. The Board Office recommended the Board receive reports on the FY 1997 and FY 1998 general fund operating budget requests for Iowa State University and preliminary Board Office recommendations.

	<u>Request</u>	<u>FY 1997 % Increase</u>	<u>Recommendation</u>	<u>FY 1997 % Increase</u>
<u>Iowa State University</u>				
General University	\$170,913,532	7.2%	\$164,681,941	3.3%
Ag. Experiment Station	31,960,719	0.7%	31,871,417	0.5%
Cooperative Extension	19,779,611	3.7%	19,301,769	1.2%
Inst. Physical Research & Tech	4,699,886	14.0%	4,273,586	3.6%
Special Purpose Approps.	<u>2,107,259</u>	<u>-2.0%</u>	<u>2,087,351</u>	<u>-3.0%</u>
Total	\$229,461,007	6.0%	\$222,216,064	2.6%

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	FY 1997	FY 1998		FY 1997	FY 1998
	<u>Request</u>	<u>% Increase</u>		<u>Recommendation</u>	<u>% Increase</u>
<u>Iowa State University</u>					
General University	\$ 183,006,520	7.1%		\$169,858,858	3.1%
Ag. Experiment Station	32,196,075	0.7%		32,018,871	0.5%
Cooperative Extension	20,495,170	3.6%		19,538,885	1.2%
Inst. Physical Research & Tech	5,280,127	12.3%		4,425,278	3.5%
Special Purpose Approps.	<u>2,165,180</u>	<u>2.7%</u>		<u>2,124,705</u>	<u>1.8%</u>
Total	\$243,143,072	6.0%		\$227,966,597	2.6%

The Board Office recommendation for State appropriations for Iowa State University for FY 1997 was \$222,216,064 (+2.6 percent) and for FY 1998 was \$227,966,597 (+2.6 percent).

Iowa State University's request for State appropriations for operations for FY 1997 was \$229,461,007 (+6.0 percent) and for FY 1998 was \$243,143,072 (+6.0 percent).

Salary annualization funding was being reviewed by the Board Office and would be included in the final FY 1997 and FY 1998 operating budget requests presented to the Board in September.

Inflation funding was recommended as follows:

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
General	\$1,444,718	\$ 963,145	\$1,509,728	\$ 992,040
Utilities	384,988	384,988	666,402	666,402
Library	<u>437,501</u>	<u>437,501</u>	<u>474,689</u>	<u>474,689</u>
Total	\$2,267,207	\$1,785,634	\$2,650,819	\$2,133,131

Increased building repair funding was recommended at \$907,402 for both years, an increase of 14.9 percent from the FY 1996 budget of \$6,089,055.

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
<u>Opening New Buildings</u>				
Animal Science Teaching Farm	\$12,750	\$12,750	\$ 0	\$0
Infectious Disease Isolation Facility	0	0	37,639	0
Engineering Teaching and Research Complex (Phase I)	0	0	127,050	0
Intensive Livestock Research and Instruction Facilities (Kildee-Auditorium)	<u>0</u>	<u>0</u>	<u>51,174</u>	<u>0</u>
Total	\$12,750	\$12,750	\$215,863	\$0

Funding recommended for FY 1997 was for the cost of operating the Animal Science Teaching Farm for the first quarter of FY 1997. The FY 1998 funding requested was not recommended, since funds have not been appropriated for the construction of the three projects.

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Improving Under-graduate Education	\$1,500,000	\$400,000	\$1,500,000	\$400,000

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Graduate Assistants	\$1,000,000	\$300,000	\$1,600,000	\$300,000

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Higher Education Access	\$500,000	\$200,000	\$500,000	\$200,000

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Child Care	\$150,000	\$60,000	\$150,000	\$60,000

Institutional Initiatives

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Healthy Livestock for Iowa	\$2,000,000	\$1,200,000	\$0	\$800,000

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Improving Iowa's Research Capacity	\$500,000	\$200,000	\$500,000	\$200,000

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Community Development Infrastructure	\$1,000,000	\$0	\$1,000,000	\$0

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Distance Education	\$500,000	\$200,000	\$500,000	\$200,000

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Value-Added Products Laboratory	\$500,000	\$250,000	\$500,000	\$250,000

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Reengineering Engineering Education	\$0	\$0	\$1,500,000	\$0

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
ADA Compliance	\$150,000	\$100,000	\$150,000	\$100,000

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Iowa Pork Industry Center	\$250,000	\$100,000	\$250,000	\$100,000

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Iowa Beef Cattle Industry Center	\$250,000	\$0	\$250,000	\$0

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Technology Transfer	\$500,000	\$100,000	\$500,000	\$100,000

Special Purpose

Funding recommended for special purpose appropriations was as follows:

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Small Business Development Center	\$1,259,996	\$1,243,637	\$1,306,790	\$1,273,679
Leopold Center	565,760	564,038	571,159	567,586
Livestock Disease Research	<u>281,503</u>	<u>279,676</u>	<u>287,231</u>	<u>283,440</u>
Total	\$2,107,259	\$2,087,351	\$2,165,180	\$2,124,705

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Small Business Development Center	\$1,259,996	\$1,243,637	\$1,306,790	\$1,273,679

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Leopold Center for Sustainable Agriculture	\$565,760	\$564,038	\$571,159	\$567,586

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Livestock Disease Research	\$281,503	\$279,676	\$287,231	\$283,440

Wallace Technology Transfer Foundation

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Technology Transfer	\$375,000	\$375,000	\$375,000	\$375,000

President Jischke said he wished to raise three issues regarding the Board Office recommendations for which he asked the Board's support to change the recommendations. First, with regard to the building repair amount requested, he said university officials used the formula which the Board Office had provided. University officials disagreed with the Board Office recommendation. He said the university general fund supports \$1 billion of academic buildings. The university should be budgeting \$10 million/year for upkeep and maintenance of the buildings. The current building repair budget was \$2 million/year which university officials built up through internal reallocation. The university has a \$50 million backlog in deferred maintenance. He stressed that the building repair budget needed to be built up. He asked the Board's support of the original university request, saying he believed it was fully justified.

The second area for which President Jischke expressed concern regarding the Board Office recommendation was the healthy livestock initiative. He stated that one year ago university officials came forward with a \$3 million initiative which the Board approved to

be split into a two-year request. The Board Office recommendation was to split the initiative into another 2-year project. He said the people who have supported this project expect university officials to come forward with the \$2 million request. President Jischke would like to complete the initiative this year; therefore, he asked for the Board's support of the \$2 million request.

With regard to the third area of concern, President Jischke said the docket memorandum described the community development initiative as five unrelated initiatives. It was submitted as a single program. He said the proposal seeks to respond to a growing concern in Iowa, particularly in rural areas, regarding community development. The university's proposal had a number of important ideas on how the university could contribute to community development activities. Iowa State University has the capacity to help build infrastructure for community development.

President Jischke stated that the Board Office recommended support for three of the community development initiatives: 1) distance education, 2) value-added products laboratory, and 3) the Pork Industry Center. He said the Board Office did not recommend support for the community development infrastructure initiative or the Beef Cattle Industry Center. He stressed that the Board Office had not seen the initiatives as a coherent single package.

President Jischke then addressed the two initiatives for which there was no Board Office support. The community development infrastructure program would support regional planning and economic development analysis. University officials have been working with the Wallace Foundation of southwest Iowa to develop a regional planning laboratory at the Armstrong Farm. He said the Wallace Foundation is a coalition of 19 counties in southwest Iowa. It has 1,400 contributing, dues-paying, members. It is absolutely unique as a regional effort toward development of the whole state of Iowa. The group brings an enormous amount of enthusiasm and energy to its efforts. He said the group has succeeded in buying a farm and getting an appropriation from the legislature for facilities. The group seeks the help of Iowa State University, along with the community colleges in southwest Iowa, to help with their development. University officials would like to respond to that effort. He said the regional planning initiative was developed in part in collaboration with those people.

President Jischke said the second element of the infrastructure initiative is to provide additional economic analysis support for those who are active in community development. He said the best example he could provide was the recent effort in Fort Dodge with the Friskies Cat Food plant. The expertise of two Iowa State University professors in the economics department was absolutely pivotal in that community's ability to deal with a ruling of the Federal Trade Commission on the anti-competitiveness of a particular purchase by Nestle's of the Alpo Food products

company. He said the analysis saved 500 jobs in Iowa and a total payroll in Fort Dodge of \$10 million. University officials would like to make that kind of support more widely known around the state.

President Jischke then addressed the university request regarding the Beef Cattle Industry Center. He said there are opportunities for growth in the beef cattle industry in Iowa. There is growing concern regarding environmental impact and healthy products. The center would track animals from the farm to the consumer. University officials believe Iowa could expand its beef cattle industry in conjunction with the freeing up of CRP land. The program would particularly impact the southern two tiers of the state where there is much CRP land. The university's effort would preserve traditional family farms of Iowa.

President Jischke asked that the Board Office recommendation be rewritten to reflect the coherence of the program. He asked for additional support for the last two items he had described, at the level requested.

Regent Pellett stated that a great amount of the budget cuts at Iowa State University were impacting rural Iowa. She stressed that the Wallace Foundation Farm near Atlantic was a terrific program. With regard to the university's request for the Beef Cattle Industry, she affirmed that there would be a lot of CRP land coming out of the program in the next several years. She stated that one dollar spent on the beef industry generates \$35 to the economy. There are individual and group efforts taking place to try to track the beef animal through genetics from the calf to the meat counter; however, help is needed with the effort. She said extension personnel are in very high demand and cannot answer all of citizens' demands for time, resources, etc. The initiative would be a boon to rural Iowa communities.

Regent Kennedy said this was an exciting opportunity to continue the Board's mission to support rural Iowa. Urban areas already receive assistance with infrastructure. She encouraged her colleagues to make a conscious effort to support President Jischke's request to address community development infrastructure for rural Iowa.

Mr. Richey stated the Board Office had assumed that Iowa State University was already doing many activities in these areas and that what was requested was above what was already being done.

Regent Pellett responded that Iowa State University was providing a lot of assistance already. However, currently in Iowa there is a real drive for community development and rural development, and individual and group cooperative efforts on behalf of citizens. She said it would be a big plus to receive even more of the university's expertise than citizens were receiving currently.



Regent Dorr said there are a myriad of agencies performing a whole host of functions similar to those being requested. He stated that most of these issues impact rural Iowa to the extent that they cost more money. His county passed a county extension referendum that doubled the county's extension budget because neither the State government nor the Federal government wanted to appropriate any more money. He said the very people targeted to be served were the ones being asked to pay the bill. What would give rural Iowa more economic stimulus than anything else would be a substantial restructuring of the taxes in this state. He was unsure whether creating innovative programs at a cost of \$500,000 to \$5 million per year would solve the problems in rural Iowa when the underlying problem was not being addressed. It has been known for some time that CRP land was going to become available.

Regent Newlin stated that he believed the initiatives requested by President Jischke were worthwhile and that they were catalysts. He said the healthy livestock program was initially a 2-year program but seemed to be turning into a 3- to 4-year program. He asked that they get it done in the 2 years originally envisioned.

Regent Kennedy said the Board of Regents cannot do anything about taxes, but it can do something about the priorities for its land grant university. Rural Iowans have been told they need to create opportunities themselves. If economic development activities are going to be achieved, rural Iowans need help getting it done.

Regent Collins questioned where the funds should be taken from to give to rural economic development. Regent Kennedy noted that was not her area of expertise. She said rural areas are trying to improve their communities, but they need the expertise of the university. They need avenues to get the information out and make renewed commitments.

President Pomerantz noted that Iowa is a rural state. He said the Iowa State University mission is to be the preeminent land grant university in the nation. If the initiatives being discussed are high priorities, was there something else in the budget that could give way? He would not be opposed to endorsing a program and directing the Board Office to add it into the budget, but at some point someone will require that something be reduced elsewhere. There may not be an opportunity for two-way dialogue when the Governor and General Assembly go through these budgets. Is there any substitution that could take place?

President Jischke stated that if the Board wanted to direct what the percent of increase would be, university officials would be more than happy to set priorities, as they often do. He said that what was being requested was an endorsement of the university's request so that it can, in fact, compete for appropriations. He believes the initiatives will

find a lot of support in Iowa with the Governor, the legislature, and Iowa citizens. The enthusiasm and energy of the Wallace Foundation group was remarkable. The group has made a lot of progress and was asking for Iowa State University's help. He said the example in Fort Dodge was a wonderful one. The Fort Dodge initiative took place in only 2 weeks. There was nowhere else in the state the Fort Dodge community leaders could have gone for the anti-trust economics expertise they found at Iowa State University. University officials believe that even more of those types of initiatives are possible. University officials were asking for a chance to compete for the funds. They believe the program speaks directly to the mission of Iowa State University.

President Pomerantz said the Regents had several choices. They could direct the Board Office to review the request in light of this discussion, or they could issue a directive.

Regent Dorr stated that his preference was to receive reports from all of the institutional heads before the Board takes action or issues directives. He had some thoughts on what the Board might wish to consider in an overall budget direction. He did not wish to get sidetracked on individual initiatives. The overall structure of the budget and where they ultimately want to go should be the focus of their discussions.

President Pomerantz suggested that the Board Office be directed to incorporate the initiatives into the main budget, after consulting with Iowa State University officials, to determine where there may be some flexibility in the recommended dollars. The Regents can discuss their views concerning the overall dollars but Iowa State University's requested initiatives should be addressed.

ACTION: President Pomerantz stated the Board received reports on the FY 1997 and FY 1998 general fund operating budget request for Iowa State University and preliminary Board Office recommendations, by general consent.

(c) University of Northern Iowa. The Board Office recommended the Board receive the report on the FY 1997 and FY 1998 general fund operating budget requests of the University of Northern Iowa and Board Office preliminary recommendations.

The Board Office preliminary recommendation for State appropriations for operations for the University of Northern Iowa was \$74,061,438 (3.3 percent) for FY 1997 and \$76,367,825 (3.1 percent) for FY 1998. The university's request for State appropriations for operations was \$75,316,771 (5.1 percent) for FY 1997 and \$78,691,771 (4.5 percent) for FY 1998.

Salary annualization funding was being reviewed by the Board Office and would be included in the final FY 1997 and FY 1998 operating budget requests presented to the Board in September.

Inflation was recommended as follows:

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
General	\$436,000	\$290,667	\$455,000	\$299,387
Library	<u>120,000</u>	<u>120,000</u>	<u>130,000</u>	<u>130,000</u>
Total	\$556,000	\$410,667	\$585,000	\$429,387

Building repair funds were recommended at \$652,000 for both years.

The sum of \$375,000 was recommended in FY 1998 for the opening of the Wellness/ Recreation Center.

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Improving Undergraduate Education	\$1,200,000	\$400,000	\$700,000	\$400,000

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Higher Education Access/Diversity	\$200,000	\$200,000	\$200,000	\$200,000

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Child Care	\$50,000	\$50,000	\$50,000	\$50,000

### Institutional Initiatives

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Professional Development for	\$500,000	\$500,000	\$500,000	\$200,000

Iowa's Educators				
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	FY 1997	FY 1998
	<u>Request</u>	<u>Recommendation</u>
Juvenile Justice Initiative/ Center for Study of Adolescence	\$175,000	\$0

	FY 1997	FY 1998
	<u>Request</u>	<u>Recommendation</u>
Service and Outreach to Iowa Industries	\$250,000	\$0

Acting President Marlin thanked the Board Office for the recommendations, noting that support of the university's initiatives was gratifying. She said university officials recognized that the resources available would not be commensurate with their aspirations. The recommendations were consistent with the university's mission and priorities. She then addressed some of the important initiatives and how they relate to the needs of the state as well as the aspirations of the university.

The first such initiative, which Acting President Marlin discussed, was professional development for Iowa educators. She said the ability to effectively manage, use, and make choices about educational technology has become an essential skill for teachers. The existing teaching force must be educated and functional with technology. The state is never going to be able to make the type of rapid changes needed in today's environment if the existing teaching work force is not trained in technology. For several years the University of Northern Iowa has been involved in training teachers to use educational technology particularly with an emphasis on the Iowa Communications Network. University officials asked for ongoing funding to continue this effort. She noted that this effort was highly consistent with the mission of the University of Northern Iowa and touched upon coordination and cooperation with other sectors.

Another request for funding, which was not recommended, was for outreach to Iowa industries. This was the University of Northern Iowa's only request in the economic development area. Acting President Marlin asked for reconsideration of the funding recommendations.

President Pomerantz asked if the University of Northern Iowa's total request for review of the Board Office recommendations was \$250,000. Acting President Marlin said that figure was correct.

President Pomerantz said the Board would review the university's request on the same basis as all the others.

**ACTION:** President Pomerantz stated the Board received the report on the FY 1997 and FY 1998 general fund operating budget requests of the University of Northern Iowa and Board Office preliminary recommendations, by general consent.

(d) Iowa School for the Deaf. The Board Office recommended the Board receive the report on the FY 1997 and FY 1998 general fund operating budget request of the Iowa School for the Deaf and preliminary Board Office recommendations.

The Board Office recommendation for State appropriations for operations for the Iowa School for the Deaf for FY 1997 was \$6,828,423 (+2.4 percent) and for FY 1998 was \$6,930,411 (+1.5 percent). The Iowa School for the Deaf's request for State appropriations for operations for FY 1997 was \$7,013,063 (+6.0 percent) and FY 1998 was \$7,433,846 (+6.0 percent).

Salary annualization funding was being reviewed by the Board Office and would be included in the final FY 1997 and FY 1998 operating budget requests presented to the Board in September.

Inflation funding was recommended as follows:

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
General	\$47,926	\$31,951	\$50,083	\$32,909
Utilities	10,980	10,980	11,639	11,639
Library	530	530	575	575
Total	\$59,436	\$43,461	\$62,297	\$45,123

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Building Repairs	\$52,865	\$52,865	\$52,865	\$52,865

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Technology	\$50,000	\$10,000	\$65,000	\$0

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
In-Service Staff Training	\$30,000	\$0	\$30,000	\$0

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Library	\$4,000	\$4,000	\$4,000	\$4,000

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Vocational Education	\$125,000	\$0	\$110,000	\$0

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Textbooks	\$56,131	\$50,000	\$34,337	\$0

	FY	1997	FY	1998
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	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Suburban Vans	\$0	\$0	\$44,000	\$0

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Prescription Costs Reimbursement	\$700	\$0	\$0	\$0

Superintendent Johnson expressed appreciation for the Board Office support for the budget, particularly the recommendations concerning the ongoing maintenance, inflation and building repair. He said he was especially pleased with the library and textbook support. School officials looked forward to working with the Board Office on a couple of other projects: prescription costs reimbursement and funding of the transportation needs. With regard to technology, he looked forward to working with the Board Office on innovative programs and proposals.

**ACTION:** President Pomerantz stated the Board received the report on the FY 1997 and FY 1998 general fund operating budget request of the Iowa School for the Deaf and preliminary Board Office recommendations, by general consent.

(e) Iowa Braille and Sight Saving School. The Board Office recommended the Board receive the report on the FY 1997 and FY 1998 general fund operating budget request of the Iowa Braille and Sight Saving School.

The Board Office recommendation for State appropriations for operations for the Iowa Braille and Sight Saving School for FY 1997 was \$3,814,664 (+3.1 percent) and for FY 1998 was \$3,809,007(+1.4 percent). The Iowa Braille and Sight Saving School's request for State appropriations for operations for FY 1997 was \$3,868,775 (+6.0 percent) and for FY 1998 was \$3,980,586 (+6.0 percent).

Salary annualization funding was being reviewed by the Board Office and would be included in the final FY 1997 and FY 1998 operating budget requests presented to the Board in September.

Inflation funding was recommended as follows:

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>

General	\$22,481	\$14,987	\$23,492	\$15,437
Utilities	5,636	5,636	5,890	5,890
Library	<u>480</u>	<u>480</u>	<u>521</u>	<u>521</u>
Total	\$28,597	\$21,103	\$29,903	\$21,848

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Building Repairs	\$32,495	\$32,495	\$32,495	\$32,495

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Replace Accounting System	\$60,000	\$60,000	\$0	\$0

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
School Bus	\$54,000	\$0	\$0	\$0

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Technology	\$36,000	\$0	\$113,000	\$0

	FY 1997		FY 1998	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Vehicle Replacement Plan	\$0	\$0	\$45,000	\$0

Superintendent Thurman said he was thankful for the support of the Board Office on many of the school's requests. He noted that the State Auditor was becoming increasingly concerned about the school's current accounting system. The recommendation to roll the funds from the school bus into the base budget was a good one which would enable the school to address other vehicle needs.

Superintendent Thurman stated that the one item for which the Board Office did not recommend funding and one about which school officials had some confusion



themselves was in the area of technology. School officials spent considerable money during the last several years in technology. He described a standard work station for a blind student and indicated the approximate costs. He said the Board Office recommendation to look for outside funding sources was a good one. School officials need to look at reallocation, endowment funds and outside sources. He asked that the Board Office work closely with school officials to develop a plan to bring back to the Board to address funding alternatives.

**ACTION:** President Pomerantz stated the Board received the report on the FY 1997 and FY 1998 general fund operating budget request of the Iowa Braille and Sight Saving School, by general consent.

(f) Regional Study Centers. The Board Office recommended the Board receive the reports on the regional study centers' FY 1997 and FY 1998 State of Iowa operating budget requests and the Board Office preliminary recommendations.

The Board Office preliminary recommendations included only general inflationary cost increases.

Recommended State of Iowa appropriation amounts for FY 1997 and FY 1998 were as follows:

Center	FY 1996 Iowa Appropriation	FY 1997 Recommended Amount from State of Iowa	FY 1998 Recommended Amount from State of Iowa
Quad-Cities Graduate Study Center	\$154,278	\$155,942	\$157,656
Tri-State Graduate Study Center	74,511	75,046	75,590
Southwest Iowa Regents Resource Center	73,538	74,279	75,043

These increases were based on the Iowa share of the centers' FY 1996 non-personnel costs. The 3.0 percent general inflationary cost increase was applied to these costs.

Salary and fringe benefit increases would be considered as part of the Regents' overall salary policy and were not reflected in this recommendation.

The regional study centers requested the following amounts from the State of Iowa for FY 1997 and FY 1998:

Center	FY 1996 Iowa Appropriation	FY 1997 Requested Amount from State of Iowa	FY 1998 Requested Amount from State of Iowa
Quad-Cities Graduate Study Center	\$154,278	\$156,821	\$159,431
Tri-State Graduate Study Center	\$ 74,511	\$ 77,417	\$ 82,412
Southwest Iowa Regents Resource Center	\$ 73,538	\$148,515	\$124,960

Included within the FY 1997 budget request for the Southwest Iowa Regents Resource Center was an increase in the coordinator position from .5 FTE to 1 FTE and an increase in the secretary position from .6 FTE to 1 FTE. The additional staffing would provide assistance to the increasing number of graduate programs being offered in Southwest Iowa; during FY 1995 seven new graduate programs were established, five utilizing the Iowa Communications Network.

It was anticipated that additional programs would be offered with the development of a second ICN classroom at Iowa Western Community College and establishment of an ICN classroom at the Iowa School for the Deaf.

The FY 1997 Southwest Iowa Regents Resource Center request contained a one-time request of \$20,000 to establish an Internet connection and develop a computer laboratory to be located adjacent to the ICN room at the Iowa School for the Deaf.

The Board Office recommended that these requests be studied in more detail before final recommendations for FY 1997 and FY 1998 budgets are made in September.

Director Barak stated that the Board Office would review the recommendations in greater detail before making final recommendations in September.

**ACTION:** President Pomerantz stated the Board received the reports on the regional study centers' FY 1997 and FY 1998 State of Iowa operating budget requests and the Board Office preliminary recommendations, by general consent.

(g) Lakeside Laboratory. The Board Office recommended the Board receive the report on the FY 1997 and FY 1998 general fund operating budget request of Lakeside Laboratory and preliminary Board Office recommendations.

The Board Office preliminary recommendation for operations for the Lakeside Laboratory was \$311,185 (2.4 percent) for FY 1997 and \$312,458 (.4 percent) for FY 1998. The Board Office preliminary recommendation also included one-time funding of \$100,000 in FY 1997 for infrastructure improvements.

The request from the Lakeside Laboratory totaled \$311,803 (2.7 percent) for operations for FY 1997 and \$313,740 (.6 percent) for operations for FY 1998 and a \$100,000 FY 1997 one-time request for infrastructure improvements.

Inflation was recommended as follow:

	FY	1997	FY	1998
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
General	\$1,854	\$1,236	\$1,937	\$1,273

Utility cost increases in the amount of \$5,198 were recommended for FY 1997; included were annual utility costs for the relocated housing units and costs for the air-conditioning system to be installed during FY 1996 in the new computer facility.

An increase of \$1,000 in equipment was recommended for FY 1997 to support two new courses to be offered during the 1996 summer session.

Consistent with the laboratory's goal of upgrading all living, teaching and laboratory facilities, the sum of \$100,000 was recommended for FY 1997 for infrastructure improvements. The sum of \$70,000 was recommended to extend the sewage system to many of the housing areas on campus and provide for a new pump station to make the sewage system fully functional during the winter.

The sum of \$20,000 was recommended to provide additional telephone service to the laboratory; there is no telephone service on the southern half of the campus where the courses are taught, most faculty and the director have offices, and many graduate students and faculty live. Because of the large distances involved, most of the cost of the proposed new phone system is associated with burying cable.

The sum of \$10,000 was recommended to hook-up the laboratory to the natural gas line which runs along the road in front of the property. Switching to natural gas will save significantly on annual fuel costs and will allow the facilities to be heated by natural gas rather than electricity or propane

Regent Dorr said it was his recollection with regard to previous negotiations with the community to continue operations of the laboratory, that community representatives

indicated the community would provide ongoing support for the center. What efforts had been undertaken by the community to meet that obligation?

Director Barak responded that community leaders were in the process of raising funds for a water quality laboratory that would include a year-round classroom, which the campus did not have at this time. The estimated costs were around \$600,000. The campaign was expected to be completed within the next year.

Regent Newlin asked how much money had been raised so far. Director Barak said he was unsure of the amount; the campaign had just gotten started. He noted that Tom Bedell was heading the campaign.

President Pomerantz said the campaign would do fine with Mr. Bedell heading it.

**ACTION:** President Pomerantz stated the Board received the report on the FY 1997 and FY 1998 general fund operating budget request of Lakeside Laboratory and preliminary Board Office recommendations, by general consent.

(h) Board Office Budget for Fiscal Years 1997 and 1998. The Board Office recommended the Board approve the final budget for fiscal year 1996 and receive the report on the preliminary request for fiscal years 1997 and 1998.

There were no changes to the Board Office budget for fiscal year 1996 as approved by the Board in June except for the revision of the salary of the Executive Director to reflect the Governor's action.

The proposed budget for fiscal year 1997 included increases for annualization of salaries, three percent price inflation and \$12,535 for technology advances. The budget request for fiscal year 1997 proposed the addition of a Business and Finance Analyst position at a cost of approximately \$44,050 annually including supporting expenses of \$1,000.

The budget request for fiscal year 1998 included funds for three percent price inflation for non-salary categories. It continued the Business and Finance Analyst position proposed for fiscal year 1997 and included \$10,000 for continued technology upgrades for the Board Office.

Further review of the Board Office budget needs would be made and presented to the Board for final review and action at its September meeting. That budget presentation will include the proposals for the:

Eisenhower/Title II (fiscal year 1995 budget was \$28,609). Federal funding for the program for fiscal year 1996 has not been set at this time;

Facilities Officer of \$88,800 for fiscal year 1996; and

Affirmative Action Officer of \$84,038 for fiscal year 1996.

Mr. Richey reviewed the budget with the Regents. With regard to the fiscal analyst position, he said that in addition to everything the Board Office does, it carries a tremendous workload in terms of legislative and executive office requests.

**ACTION:** President Pomerantz stated the Board approved the final budget for fiscal year 1996 and receive the report on the preliminary request for fiscal years 1997 and 1998, by general consent.

Regent Dorr stated that he has been a member of the Board of Regents for a little over 4 years. The first budget request with which he was involved was for approximately \$470 million to \$480 million in State appropriations; the overall budget was approximately \$1.45 billion to \$1.5 billion. Four years later the Regents were now presented with preliminary budget requests of nearly \$600 million. Regent Dorr expressed concern that the Regents did not have an effective way of zeroing in and focusing on priorities and what exactly can and should be accomplished. He believed there had been very sincere attempts by all institutional administrators, the Board and everyone involved to do what is right. However, the pot of resources is not a never-ending pot.

Regent Dorr suggested that rather than receiving the preliminary budgets proposed at this meeting, the Board direct the Board Office and the institutions to return in September with a fiscal year 1997 budget that would effectively have a zero percent increase. Institutional officials should determine what exactly is needed and what the institutions are good at. He said this type of budget exercise has been going on in the private sector for quite some time. He was not saying that the institutions have not tried to be good at what they are doing, but he was not sure that institutional officials truly understand the necessity to focus. He said it would be good for the Board, good for the institutions, and good for the state of Iowa for institutional officials to really apply some effort to determine whether or not it was possible to bring in a zero percent increase in total budget, and to then begin to make some tough decisions.

Regent Dorr stated that he believed the effort could have a lot of very positive effects. The exercise could work in conjunction with the review of the organizational audit. It

should in the long term make the Regent system much stronger and much more effective in those areas in which it should be. Perhaps the effort will highlight areas in which they do not have the ability to develop high levels of expertise.

President Pomerantz stated that Regent Dorr was suggesting a zero percent increase in the base budget. He asked for consideration of a dual track. One would be the typical ongoing track; this preliminary budget had been issued, responded to and some modifications were to be made by the Board Office in response to Regent directives. The other would be Regent Dorr's suggestion for a zero percent increase in the base budget. At the September Board meeting the Regents would evaluate both tracks from a Board perspective and determine the direction in which to proceed.

Regent Dorr said President Pomerantz' suggestion was a good one; however, he cautioned that the Regents not begin to micromanage on issues they think are salvageable and others that are not.

President Pomerantz noted that there was already State policy for \$22 million in salary increases.

Regent Dorr said it would be his recommendation that salary policy be factored in so they literally end up with a zero percent increase in the base budget. He would like for institutional officials to make that effort and see what can be done. The salary funds would have to come from some place else in the budget.

President Pomerantz said that would be quite an exercise but a good one.

Regent Pellett noted that when the Regents again discuss preliminary FY 1997 budgets in September, it would be the last time they deal with the budget requests. President Pomerantz stated that from the September Regents meeting the budget requests go to the Governor and then to the General Assembly in January.

Regent Pellett said she would feel much better about undertaking this effort if the review of the organizational audit was completed.

Regent Collins said he supported going forward with Regent Dorr's suggestion.

Regent Newlin asked if there were another alternative where the Regents could be presented with a budget with a zero percent increase, not including the salary policy.

President Pomerantz responded that a third alternative, as suggested by Regent Newlin, could also be incorporated into the exercise.

Regent Newlin agreed that a triple-track effort, to include salary policy funding, would be appropriate for the Regents to review.

President Pomerantz said he felt there was something to be learned from this effort. He did not know where it would end up. He was unsure whether the Regents would be prepared to vote today without knowing the implications for a zero percent increase. This effort would force institutional officials to evaluate programs in a very thoughtful way, which was appropriate.

Regent Dorr emphasized that his overriding concern was to continue to maintain quality programs. He believed that a great deal of positive outcome could result from this effort. It was something with which they were going to have to come to grips with eventually. He preferred to be at the front end of this issue rather than being the tail.

Regent Tyrrell asked whether the Regents were going to have three choices in front of them in September. President Pomerantz said the budgets would be presented in three different ways. The Board could choose to mix and match.

Regent Tyrrell asked when the Regents have to have preliminary budgets into the State. Mr. Richey said the information has to be to the Department of Management by October 1 or a zero percent increase in base budgets is automatic.

Regent Smith said she had concerns about the time, energy, dollars and emotional impact on the institutional campuses. She questioned whether they could get at the same outcome by a careful review of the budget process.

Regent Newlin said he would be very unhappy if the Regents experienced a flight of faculty during this period.

President Pomerantz stated that the message should go out loud and clear that \$22 million in salary increases has already been approved. The funds have not yet been appropriated and will be subject to the legislative process. This has been the undertone for quite a while, the forcing of priority setting. He believed the Regents would be amazed at what they are presented with in September; they will be into the "bone" of the institutions.

Regent Tyrrell suggested they would be into the "marrow".

President Pomerantz directed that institutional and Board Office officials move forward with this effort.

**FIVE-YEAR CAPITAL PLANS.** The Board Office recommended the Board (1) receive the Board Office preliminary recommendation of \$292,306,000 for the five-year general fund capital program for FY 1997-FY 2001; (2) give preliminary approval of the five-year program request of \$76,355,000 for the University of Iowa Hospitals and Clinics; and (3) receive the report on all funds five-year capital plans.

The institutions submitted all funds five-year capital plans (FY 1997 - FY 2001) totaling \$743,182,000. Of this amount, State capital improvement funding in the amount of \$428,755,000 was requested.

The Board Office preliminary recommendation for general funds for FY 1997 - FY 2001 included projects totaling \$292,306,000. The recommendation was more realistic than the institutional requests in terms of available resources.

#### General Fund Capital Program FY 1997 - FY 2001

The Board Office preliminary recommendation was for a general fund plan for \$292.3 million to be financed by appropriations or bonding. In addition, \$80.3 million in funds from other sources would be utilized for the recommended projects.

All State agencies must submit five-year capital project priority plans to the Legislative Capital Projects Committee no later than November 1 of each year.

The Board is required by statute to submit a five-year building program to the General Assembly at the beginning of each legislative session.

The institutional total general fund requests and preliminary recommendations for FY 1997 - FY 2001 were as follows:



<u>Institution</u>	<u>Total Request</u>	<u>Total Recommendation</u>
SUI	\$164,790,000	\$120,790,000
ISU	146,110,000	106,320,000
UNI	106,500,000	58,900,000
ISD	10,403,000	5,644,000
IBSSS	<u>952,000</u>	<u>652,000</u>
Total	<u>\$428,755,000</u>	<u>\$292,306,000</u>

The recommendations focus on academic/instructional facilities; they identify and provide for critical needs related to the missions of each institution. Major remodeling was emphasized.

The Board Office preliminary recommendations continued the theme of previous years by placing high priority on environmental health and safety and deferred maintenance.

The institutions identified general fund capital projects totaling \$428.8 million for the five-year period.

Funding was recommended in some cases in a fiscal year different than the year in which it was requested. The recommended amounts differed in some cases from the amounts requested.

University of Iowa officials requested funding for the National Advanced Driving Simulator as part of its special purpose operating budget request; funding for the project was recommended as part of the capital request.

University of Iowa officials requested State funding of \$52.6 million for the Bio-Medical Research and Education over the five-year period; State funding of \$27 million was recommended.

Iowa State University officials requested \$22 million in FY 1997 and \$9.32 million in FY 1999 for the Engineering and Teaching Research Complex; the recommendation was for \$11 million in FY 1997 and \$20.32 million in FY 1999. The Board Office preliminary recommendation for State funding for the two phases of this project was consistent with past university requests.

Deferred maintenance funding was reduced from a total request of \$75,583,000 for the five-year period to a recommendation of \$33,276,000. Fire safety and deferred maintenance items will also be incorporated into the major remodeling projects recommended for funding.

It was recommended that utility projects at the University of Iowa be funded from other than State appropriations.

It was recommended that the lower priority institutional projects be deferred into the out years.

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

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

#### University of Iowa Hospitals and Clinics

The Board Office preliminary recommendation included the University of Iowa Hospitals and Clinics' five-year requested plan of \$76,355,000 to be financed with patient-generated revenues. The projects can be summarized by type as follows:

New Construction	\$ 37,747,000
Remodeling/Renovation	31,154,000
Fire and Environmental Safety	<u>7,454,000</u>
Total	\$ 76,355,000

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

#### All Funds Five-Year Capital Plans

These capital plans include projects planned to be funded from all sources. Other fund sources in addition to capital appropriations, bonding authority and UIHC patient generated revenue include: operating budget building renewal funds, income from treasurer's temporary investments, auxiliary service or enterprise funds (utility, telecommunications and residential systems), Iowa Department of Transportation (institutional roads program), gifts and grants, and departmental renewal and replacement funds.

The all funds institutional totals which included the Board Office preliminary recommendations for the five-year general fund capital program (FY 1997 - FY 2001), UIHC program and other funds are summarized below:

<u>Institution</u>	<u>Amount</u>
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SUI	\$318,970,000
ISU	200,652,000
UNI	80,815,000
ISD	5,644,000
IBSSS	<u>652,000</u>
Total	\$606,733,000

President Pomerantz stated that the Regents have \$80 million in planning funds for capital projects already in place, but had not yet received funding to complete those projects. It was his opinion that the Regent institutions did not need to seek funding for any new capital programs until the projects that are under planning are developed and on track.

President Pomerantz stated that the State of Iowa will have to come to some resolution on its capital program. He said there is a possibility that the rainy day fund in the State Treasury plus its earnings could be used for State capitals which would include not only Regents but other State buildings. He stressed that the Regents need to lobby very strongly for a consistent stream of funds to be used for State capitals. Deferred maintenance and fire safety is a major problem. For example, if the University of Iowa were to receive the requested appropriation for the Biology Building and the Engineering Building, \$30 million to \$40 million of deferred maintenance and fire safety funds would be freed up. The funding of some of these capital projects would have a major effect on the funding for deferred maintenance and fire safety programs.

The Regents have to deal with these issues. Although the funding is in the hands of the Governor and the legislature, President Pomerantz said the Regents can develop a course of action and then lobby that course of action through the process.

President Pomerantz then asked for comments concerning the priority listing of capital projects.

President Jischke stated that a year ago at a Board meeting institutional officials agreed that capital priorities were long-standing; one year one institution's project would be at the top of the list and the next year the next project would move up to the top. He said the priority of one of Iowa State University's projects, which is very important to the future of the state of Iowa, was adjusted downward. Iowa State University officials have been supportive of the understanding with the Board concerning capital project priorities, believing it was in the best interest of the system. President Jischke expressed concern about the priorities of Iowa State University projects shifting from year to year.

Acting President Nathan thanked the Board Office for recognizing the most pressing capital needs at the University of Iowa.

Regent Tyrrell referred to the National Advanced Driving Simulator project and said he thought the request for State funds was tied to receiving Federal funds. Mr. Richey stated that Regent Tyrrell's recollection was correct -- the State funding is subject completely to the receipt of Federal funds. The driving simulator project has been listed in another section of the budget. As the project gets closer to fruition, it should be itemized as a non-recurring capital item. If the Federal funds are appropriated the State funds will be appropriated because this project has received approval of the Board of Regents, Governor and General Assembly. He said it was because of the Governor's and General Assembly's approval of the National Advanced Driving Simulator project that caused it to be ranked as it was in the five-year capital plan.

Mr. Richey stated that one of the projects about which President Jischke was concerned was the University of Northern Iowa Performing Arts Center. He said the Governor and the General Assembly established that project during the last legislative session as the highest priority for new construction.

**ACTION:** President Pomerantz stated the Board, by general consent, (1) received the Board Office preliminary recommendation of \$292,306,000 for the five-year general fund capital program for FY 1997-FY 2001; (2) gave preliminary approval of the five-year program request of \$76,355,000 for the University of Iowa Hospitals and Clinics; and (3) received the report on all funds five-year capital plans.

**PRELIMINARY CAPITAL REQUESTS FOR FISCAL YEARS 1997 AND 1998.** The Board Office recommended the Board (1) receive reports on the FY 1997 and FY 1998 general fund capital budget requests of the universities and special schools and the Board Office preliminary recommendations of \$80,140,000 for FY 1997 and \$54,385,000 for FY 1998, and (2) receive preliminary tuition replacement appropriation requests of \$28,366,400 for FY 1997 and \$28,554,400 for FY 1998.

Institutional officials requested capital funding of \$106,833,000 for FY 1997 and \$94,662,000 for FY 1998. The Board Office general fund preliminary recommendations for capital improvement projects totaled \$80,140,000 for FY 1997 and \$54,385,000 for FY 1998.

The recommended program for FY 1997 was quite optimistic in terms of the amount of funding available. However, most of the recommended projects have received some funding support from the Governor and the Legislature or the Board has given permission to proceed with planning for the projects.

Fire safety and deferred maintenance needs were given major attention in the recommended program. The sum of \$2.2 million was recommended each year for fire and environmental safety and \$3.1 million was recommended for each year for deferred maintenance. Additional fire safety and deferred maintenance needs are addressed as part of the major remodeling projects recommended for funding including:

- SUI Biological Sciences Renovation
- SUI Engineering Modernization
- UNI Lang Hall (Auditorium) Remodel
- ISU Gilman Hall Addition - HVAC & Fume Hoods
- UNI Physics Building Remodel

New construction and renovation projects were recommended as follows:

		(\$ Thousands)	
		FY 1997	FY 1998
		<u>Recom.</u>	<u>Recom.</u>
UNI	School of Music Classroom Building/ Performing Arts Center	\$ 7,100	
SUI	National Advanced Driving Simulator	2,675	\$2,675
ISU	Intensive Livestock Research Facilities	17,640	9,000
SUI	Biological Sciences Renovation/Addition	17,160	
ISU	Engineering Teaching and Research Complex	11,000	
SUI	Engineering Modernization	16,225	
SUI	Bio-Medical Research and Education	2,000	25,000
UNI	Lang Hall (Auditorium) Remodel	1,000	9,100
ISU	Gilman Hall Addition - Systems Upgrade		3,000
UNI	Physics Building Remodel		300

**ACTION:** President Pomerantz stated the Board, by general consent, (1) received reports on the FY 1997 and FY 1998 general fund capital budget requests of the universities and special schools and the Board Office preliminary recommendations of \$80,140,000 for FY 1997 and \$54,385,000 for FY 1998, and (2) received preliminary tuition replacement appropriation requests of \$28,366,400 for FY 1997 and \$28,554,400 for FY 1998.

**SIX-YEAR INSTITUTIONAL ROADS PROGRAM.** The Board Office recommended the Board (1) approve the recommended Six-Year Institutional Roads Program for calendar years 1996 through 2001 totaling \$8,122,062, including projects totaling \$1,353,677 for 1996 and (2) receive the list of identified, unfunded institutional roads needs at the Regent institutions totaling \$18,047,587.

Funds for reconstruction, improvements and maintenance of the roads and streets at the Regent institutions are provided by the State Parks and Institutional Roads Program of the Iowa Department of Transportation.

The 1996 allocation to the Board of Regents was \$1,668,677 of which \$315,000 was allocated by the Department of Transportation to the maintenance reserve fund. The 1996 allocation was \$243,077 higher than the allocation for calendar year 1995 because the most recent Department of Transportation Quadrennial Needs Study allocated an additional 4.4 percent (to 34.1 percent) of the available institutional roads funds to the Board of Regents.

The recommended institutional roads program for 1996 for capital projects totaled \$1,353,677, as follows:

University of Iowa	\$ 521,471
Iowa State University	521,471
University of Northern Iowa	260,735
Iowa School for the Deaf	50,000
Iowa Braille and Sight Saving School	<u>0</u>
Total	\$1,353,677

The Regents Six-Year Institutional Roads Program, 1996 through 2001, totaled \$8,122,062 as follows:

University of Iowa	\$3,208,826
Iowa State University	3,208,826
University of Northern Iowa	1,604,410
Iowa School for the Deaf	75,000
Iowa Braille and Sight Saving School	<u>25,000</u>
Total	\$8,122,062

Institutional officials identified unmet institutional roads needs totaling \$18,047,587.

MOTION: Regent Tyrrell moved to (1) approve the recommended Six-Year Institutional Roads Program for calendar years 1996 through 2001 totaling \$8,122,062, including projects totaling \$1,353,677 for 1996 and (2) receive the list of identified, unfunded institutional roads needs at the Regent institutions totaling \$18,047,587. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

**REPORT OF THE BANKING COMMITTEE.** The Board Office recommended the Board accept the report of the Banking Committee and approve the capital equipment definition, renewal of contracts with bond counsel and financial advisor, and the Iowa School for the Deaf vehicle policy.

Regent Dorr stated that the Banking Committee members received a presentation from the new Cambridge representative to the Board of Regents and reviewed with the consultant the reporting requirements for the Common Fund. The Banking Committee members reviewed additional controls and oversight to address concerns regarding Regent investments with the Common Fund. The universities and Board Office are proceeding with directives to oversee the development by mid-September of acceptable controls by Cambridge; otherwise, alternative arrangements will be made for investment of the funds. There did not seem to be any concern in the short term with the security of the funds.

Regent Dorr stated that the Banking Committee discussed and approved a change in the "capital equipment" definition, which would require Board action. The Banking Committee members also reviewed the Board's relationship with bond counsel and financial advisor, and recommended renewal of those contracts. Next year, after the end of the 5-year contract term, the Banking Committee will consider the letting of Requests for Proposals to begin a search process for bond counsel and financial

advisor. The Banking Committee members reviewed State audits of the five institutions for the fiscal year ending June 30, 1994.

The Banking Committee members reviewed the Iowa School for the Deaf vehicle policy and Iowa State University internal audit reports. Regent Dorr stated that out of the internal audits discussion came a fair amount of discussion regarding the size and scope of the internal audit programs. The Banking Committee will review the internal audit processes with the intention to develop much stronger and aggressive internal audit processes. The Banking Committee will review the entire internal audit process in October or November.

Regent Dorr asked for Board approval of the Banking Committee's actions.

**MOTION:**

Regent Dorr moved to accept the report of the Banking Committee and approve the capital equipment definition, renewal of contracts with bond counsel and financial advisor, and the Iowa School for the Deaf vehicle policy. Regent Johnson-Matthews seconded the motion, and upon the roll being called, the following voted:  
AYE: Collins, Dorr, Johnson-Matthews, Kennedy, Newlin, Pellett, Pomerantz, Smith, Tyrrell.  
NAY: None.  
ABSENT: None.

**MOTION CARRIED UNANIMOUSLY.**

**RENEWAL OF CONTRACTS WITH BOND COUNSEL AND FINANCIAL ADVISOR.**

The Board Office recommended the Board approve annual renewal of the contracts with (1) Ahlers Law Firm as bond counsel to the Board of Regents; and (2) Springsted, Inc., as financial advisor to the Board of Regents.

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

Total fees for projects financed for traditional Academic Revenue Bond sales shall not exceed:



<u>Aggregate Principal Amount of Issue</u>	<u>Fee</u>
\$5 million or less	\$ 7,500
\$10 million	13,000
\$15 million	16,500
\$20 million	20,000
\$25 million	23,250
\$30 million	25,000

Reimbursement for reasonable and actual out-of-pocket expenses incurred while providing services for a completed financing.

Establishment of hourly rates for other services provided;

The Board Office recommended that all terms of the original contract be extended through the annual renewal period ending August 31, 1996.

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

Fees for each completed bond or note issuance or other borrowing of \$1.60 per \$1,000 in borrowed funds for borrowings up to and including \$25 million; and \$1 per \$1,000 in borrowed funds applied to the amount borrowed in excess of \$25 million.

Reimbursement for reasonable and actual out-of-pocket expenses incurred while providing services for a completed financing.

Establishment of hourly rates for other services provided.

Luther Anderson, Senior Vice President with Springsted, resigned from Springsted on June 30, 1995. Barry Fick, Vice President, will be the Regents primary contact with Springsted for the immediate future.

The Board Office recommended that all terms of the original contract be extended through the annual renewal period ending August 31, 1996.

MOTION: The motion for this item was included in the Report of the Banking Committee, page 89 of these Minutes.

**MILEAGE REIMBURSEMENT POLICY.** The Board Office recommended the Board approve a mileage reimbursement rate of \$.28 per mile for the University of Iowa, Iowa School for the Deaf and Iowa Braille and Sight Saving School retroactive to July 1, 1995, when a motor pool vehicle is not available and the employee must use his/her personal vehicle.

At its June 1995 meeting the Board approved an increase in the mileage reimbursement rate from \$.24 to \$.28 per mile for Iowa State University extension faculty and other employees who do not have access to university motor pool vehicles. At the same time the other institutions were invited to bring forward to the July Board meeting proposals for similarly-affected individuals on their campuses.

Officials of the University of Iowa, Iowa School for the Deaf and Iowa Braille and Sight Saving School all requested an increase in the mileage reimbursement rate as approved by the Board for Iowa State University. University of Northern Iowa officials did not request an increase in the mileage reimbursement rate.

Adoption of the recommended action would revise Section 7.35A of the Regent Procedural Guide, as follows:

Transportation reimbursement for official travel by private automobile when the use of a personal car is authorized shall be paid:

at a rate of \$.28 per mile for the University of Iowa, Iowa State University, Iowa School for the Deaf and Iowa Braille and Sight Saving School and \$.24 per mile for the University of Northern Iowa, retroactive to July 1, ~~1994~~ 1995, when a motor pool vehicle is not available and the employee must use his/her personal vehicle;

The rate would remain at \$.21 per mile if a motor pool vehicle is available, but the employee chooses to use his/her own vehicle.

The estimated cost of this change in policy for the four Regent institutions desiring an increase in the rate was approximately \$80,200.

In addition to Iowa State University extension faculty, affected individuals include: University of Iowa - Preventive Medicine - State Health Registry and Child Health

Specialty Clinic; and Iowa School for the Deaf and Iowa Braille and Sight Saving School - Outreach.

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

Increasing the mileage reimbursement rate to \$.28 per mile for all travel regardless of whether access to a motor pool vehicle is available was estimated to cost more than \$500,000.

**MOTION:** Regent Dorr moved to approve a mileage reimbursement rate of \$.28 per mile for the University of Iowa, Iowa School for the Deaf and Iowa Braille and Sight Saving School retroactive to July 1, 1995, when a motor pool vehicle is not available and the employee must use his/her personal vehicle. Regent Kennedy seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

Regent Collins questioned why the University of Northern Iowa was not included in the revised mileage reimbursement rate. Vice President Conner responded that university officials wish to review the matter further and discuss it with the incoming university president.

**APPROVAL OF CONFLICT OF INTEREST VENDORS.** The Board Office recommended that the Board approve the requests of (1) the University of Iowa to add the Definitive Dental Arts to the list of approved vendors with a potential conflict of interest; and (2) Iowa State University to add Applied Digital Arts (including two of its divisions, Infoplex Communications and Norse Code Software) to the list of approved vendors with a potential conflict of interest.

Definitive Dental Arts is a small business, dental laboratory specializing in combination, full mouth reconstruction and implant restorations. Todd A. Fridrich, C.D.T owner of Definitive Dental Arts, is an Instructional Resource Associate in the Department of Prosthodontics.

The production work done by Todd A. Fridrich in his position at the college is limited to the Department of Prosthodontics.

Todd A. Fridrich has been contacted by doctors from the Departments of Special Care and Operative Dentistry concerning sending him work. Todd A. Fridrich is not involved

with nor does he supervise anyone involved in the Departments of Special Care and Operative Dentistry.

Todd A. Fridrich's background before coming to the University of Iowa was Manager and Senior technician, for over five years, in a small in-house laboratory in Denver, Colorado. Although there are other commercial laboratories available, Definitive Dental Arts can offer the kind of work that the doctors have been unable to find through other laboratories.

Iowa State University officials requested that Applied Digital Arts (including two of its divisions, Infoplex Communications and Norse Code Software) be added to the list of approved vendors with a potential conflict of interest. Applied Digital Arts is a small business that primarily contracts to perform INTERNET consulting, the creation of multimedia documents, specialized software development for the World-Wide Web, and the design and delivery of technical training programs.

Jon W. Backstrom, owner of Applied Digital Arts, was recently hired by Iowa State University to work on a cooperative grant project at the Center for Agricultural and Rural Development (CARD). The activities of Jon W. Backstrom's small business are independent from his work at Iowa State University and he is unable to influence the placement of orders from his position at CARD.

MOTION:

Regent Collins moved to approve the requests of (1) the University of Iowa to add the Definitive Dental Arts to the list of approved vendors with a potential conflict of interest; and (2) Iowa State University to add Applied Digital Arts (including two of its divisions, Infoplex Communications and Norse Code Software) to the list of approved vendors with a potential conflict of interest.

Regent Johnson-Matthews seconded the motion, and upon the roll being called, the following voted:

AYE: Collins, Dorr, Johnson-Matthews, Kennedy, Newlin, Pellett, Pomerantz, Smith, Tyrrell.

NAY: None.

ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

**BOARD OFFICE PERSONNEL TRANSACTIONS.** The Board Office recommended the Board approve the following personnel transactions:

Appointment: LOUISE KUNTZELMAN as Administrative Assistant effective July 28, 1995, at annual salary of \$37,570 plus the usual fringe benefits.

Resignation: SARAH BROWN as Administrative Assistant effective June 27, 1995.

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

**REVISIONS TO ADMINISTRATIVE RULES.** (a) Revisions to Merit System Rules. The Board Office recommended the Board (1) approve revisions relating to merit system rules in Chapter 3, "Personnel Administration," of section 681, Board of Regents, of the Iowa Administrative Code, and (2) submit adopted rules to the Administrative Rules Coordinator.

Over the last year, an interinstitutional committee of representatives from the personnel offices at Regent institutions reviewed the administrative rules governing the Regents Merit system. The Board gave preliminary approval to these changes at its May 1995 meeting and provided Notice of Intended Action to the Administrative Rules Coordinator.

The proposed changes were published in the Iowa Administrative Bulletin on June 7, 1995, and a public comment period began. The public comment period culminated in a public hearing held in the Board Office on July 7, 1995. There were comments made regarding the proposed changes. The comments were reviewed and evaluated; no changes were made as a result of this review.

The proposed revisions were reviewed by the Administrative Rules Review Committee of the Legislature on July 12; no changes were suggested in this review.

MOTION: Regent Kennedy moved to (1) approve revisions relating to merit system rules in Chapter 3, "Personnel Administration," of section 681, Board of Regents, of the Iowa Administrative Code, and (2) submit adopted rules to the Administrative Rules Coordinator. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

(b) Application Fees, Chapter 1. The Board Office recommended the Board (1) approve preliminary revision relating to application fees in Chapter 1, "Admission Rules

Common to the Three Universities,” of section 681, Board of Regents, of the Iowa Administrative Code, and (2) submit Notice of Intended Action to the Administrative Rules Coordinator.

Chapter 1 of the Board of Regents' section of the Iowa Administrative Rules pertains to admission rules shared by all three universities. The rules currently require a \$10 application fee for admission to the universities.

The Board recently approved a change in the fee and this motion was intended to bring this fee change and the reference to fees in the Administrative Rules into compliance.

The proposed language removes a specific dollar amount from the rule and replaces it with the phrase “in the amount approved by the Board of Regents.”

**MOTION:** Regent Johnson-Matthews moved to (1) approve preliminary revision relating to application fees in Chapter 1, “Admission Rules Common to the Three Universities,” of section 681, Board of Regents, of the Iowa Administrative Code, and (2) submit Notice of Intended Action to the Administrative Rules Coordinator. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

**APPOINTMENTS TO BOARDS AND COMMITTEES.** The Board Office recommended the Board approve the following appointments: (1) Acting President Peter Nathan of the University of Iowa as an ex-officio, nonvoting member of the Iowa Department of Economic Development Board; and (2) Regents Pellett and Tyrrell to serve on the Graduation Rates Priority Study Group replacing Regents Johnson-Matthews and Kennedy.

Statutory provisions provide that a president of one of the Regent universities sit in as an ex-officio, nonvoting member on the Iowa Department of Economic Development Board. This position has been filled by Constantine Curris, who resigned as President of the University of Northern Iowa effective May 31, 1995.

Regent Tom Collins, lead member of the Graduation Rates Priority Study Group, requested that Regents Pellett and Tyrrell be appointed to the group to replace Regents Johnson-Matthews and Kennedy. This will eliminate overlapping membership with the Banking Committee and allow concurrent meetings of these groups.

MOTION: Regent Newlin moved to approve the following appointments: (1) Acting President Peter Nathan of the University of Iowa as an ex-officio, nonvoting member of the Iowa Department of Economic Development Board; and (2) Regents Pellett and Tyrrell to serve on the Graduation Rates Priority Study Group replacing Regents Johnson-Matthews and Kennedy. Regent Collins seconded the motion. MOTION CARRIED UNANIMOUSLY.

**AFFILIATED ORGANIZATION REPORTS.** The Board Office recommended the Board receive reports on the following affiliated organizations: (1) Iowa State University Committee for Agricultural Development and (2) Iowa State University Agricultural Foundation

The annual reports and financial information of the organizations are on file at the Board Office.

Committee for Agricultural Development

The Iowa State University Committee for Agricultural Development (CAD) was organized in 1943. Working jointly with Iowa State University researchers, CAD purifies, increases and distributes seed and germplasm of crop varieties developed by researchers from state experiment stations in the North Central Region and USDA. This activity assists the Experiment Station in its research programs by producing and distributing soybean, forage crop, small grain, horticulture crop, and corn seeds of Iowa Experiment Station approved varieties. The CAD maintains supplies of pure seed for foundation seed production for all varieties on the approved list for Iowa.

The Board of Trustees is comprised of farmers and/or seed producers and ISU officials.

Funds generated by CAD operations are used for grants-in-aid to Iowa State University research projects. During the past 40 years, these grants have totaled several thousand dollars.

An independent audit for the year ended December 31, 1994, found that CAD complied in all material respects. For the year ended December 31, 1994, operating revenues of \$306,853 and operating expenses of \$226,912 yielded operating income of \$79,941. With the inclusion of other revenues and expenses, the excess of revenue over expenses of the unrestricted fund was \$144,870.

The committee reported net worth of \$2,103,295 for the unrestricted fund and \$225,546 for the restricted endowment fund for the year ended December 31, 1994.

### Agricultural Foundation

The Iowa State University Agricultural Foundation was organized in 1938 with a grant of 9 farms and a \$100,000 contingency fund from C.R. Musser. Three more farms were added by Mr. Musser in 1941. The twelve farms, which were to be used for scientific and educational purposes, ranged in size from 120 to 320 acres. They provided a variety in soil and farming types and were representative of distressed, rented farms.

The goals of the Agricultural Foundation from its inception were to improve the income of family farms through practical, economical, and profitable methods of production and management. Other objectives included developing and providing opportunities for young people to enter commercial agriculture, improving family living conditions of the farm operators on the farms owned and controlled by the Agricultural Foundation, and documenting and disseminating the results of these objectives to the general public through teaching, research, and Cooperative Extension programs of Iowa State University.

As agricultural technology changed over the years, the Agricultural Foundation gradually shifted to test demonstration farms. During this evolution, some farms reorganized; others were sold. The Agricultural Foundation owned the following Iowa farms during 1994:

a 197-acre cash grain farm in Crawford County (sold on contract to tenant in December 1994);

a 160-acre cash grain farm in Hancock County (sold to local operator in August 1994);

a 720-acre swine and corn farm in Taylor County (listed for sale);

a 706-acre cash grain farm in Boone County (sale option with Committee for Agricultural Development, December 1994); and

a 198-acre farm in Washington County (Southeast Iowa Research Center) leased to Iowa State University as an outlying research center (transferred to Southeast Iowa Research Association).

The annual financial review by Reinmund & Company, CPA, for the year ended December 31, 1994, reported sales of \$224,440 and operating expenses of \$315,260.



After other revenues and expenses, the excess of revenues over expenses was \$216,179. The review reported a fund balance of \$1,496,079 as of December 31, 1994. In spite of the excess of revenues over expenses, because of an equity change in inventory, the fund balance remained virtually unchanged from the December 31, 1993 fund balance of \$1,268,026.

ACTION: These reports were received by consent.

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

September 20-21, 1995	University of Iowa	Iowa City
October 18-19	University of Northern Iowa	Cedar Falls
November 15-16	Iowa State University	Ames
December 13-14	Hotel Fort Des Moines	Des Moines
January 17, 1996	Telephonic	
February 21-22	University of Iowa	Iowa city
March 20-21	University of Northern Iowa	Cedar Falls
April 17-18	Iowa State University	Ames
May 15 (p.m.)	Iowa Braille and Sight Saving School	Vinton
May 16	University of Iowa	Iowa City
June 19-20	University of Northern Iowa	Cedar Falls
July 17-18	Iowa State University	Ames
September 18-19	University of Iowa	Iowa City
October 16-17	University of Northern Iowa	Cedar Falls
November 20-21	Iowa State University	Ames
December 11	To be Determined	Des Moines

Mr. Richey noted that the Board may have a special telephonic meeting in August to review organizational audit review RFP responses.

MOTION: Regent Johnson-Matthews moved to approve the Board Meetings Schedule, as presented. Regent Collins seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

STATE UNIVERSITY OF IOWA

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

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

Register of Personnel Changes for May 1995 which included two additional faculty promotion and tenure actions.

Accept the appointment of MARY J. R. GILCHRIST, Ph.D., as Director of the University Hygienic Laboratory, effective July 1, 1995, at an annual salary of \$127,500.

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

**APPROVAL OF NAME CHANGE - UNIVERSITY OF IOWA CENTER FOR UNIVERSITY ADVANCEMENT TO THE RICHARD S. AND JEANNE S. LEVITT CENTER FOR UNIVERSITY ADVANCEMENT.** The Board Office recommended the Board approve renaming the University of Iowa's Center for University Advancement the Richard S. and Jeanne S. Levitt Center for University Advancement.

The Center for University Advancement serves as a welcome center and host site for events and activities related to advancement including offices for the University of Iowa Foundation, the University of Iowa Alumni Association, and the Division of Alumni Records and Services.

For over 20 years, Richard and Jeanne Levitt have committed time and financial resources to the university through the University of Iowa Foundation. Mr. Levitt has served on the Foundation's Board of Directors since 1976, and also serves on the

Board of Trustees for the Iowa Law School Foundation and the University of Iowa's Museum of Art Advisory Committee. Mr. Levitt has served on several fund raising campaigns' steering committees for the University of Iowa.

Mr. Levitt is chairman and chief executive officer of Nellis Corporation and serves on boards of directors for several national corporations.

Mrs. Levitt has joined her husband in making leadership gifts in many financial campaigns.

The Levitt gift provides the cornerstone for private funding for the new center.

Naming this facility for the Levitts was endorsed by the appropriate university committees and its administration.

At this point in the meeting, President Pomerantz vacated chairing the meeting so that he could make the motion on this item. Regent Tyrrell became the temporary chairperson.

MOTION: Regent Pomerantz moved to approve renaming the University of Iowa's Center for University Advancement the Richard S. and Jeanne S. Levitt Center for University Advancement. Regent Johnson-Matthews seconded the motion.  
MOTION CARRIED UNANIMOUSLY.

President Pomerantz reclaimed the chair.

**APPROVAL OF NAMING THE RECREATION BUILDING ADDITION THE RICHARD O. JACOBSON ATHLETIC BUILDING.** The Board Office recommended the Board approve naming the University of Iowa's Recreation Building addition the Richard O. Jacobson Athletic Building.

The addition to the Recreation Building houses athletic facilities including weight training, rehabilitation facilities, offices, and locker rooms which benefit a variety of sports programs.

A substantial gift by Richard O. Jacobson funded completion of the project. Mr. Jacobson is president and chief executive officer of Jacobson Warehouse Company, Inc., and Jacobson Investment Company of Des Moines; additionally, he serves as a director for several other Iowa-based corporations.

Mr. Jacobson generously supports the athletic programs of both the University of Iowa and Iowa State University, where a new athletic facility (currently under construction) will also bear his name.

Naming this facility for Richard O. Jacobson was endorsed by the Athletic Department, the Building Names and Campus Planning Committees, and the University of Iowa administration.

MOTION: Regent Tyrrell moved to approve naming the University of Iowa's Recreation Building addition the Richard O. Jacobson Athletic Building. Regent Johnson-Matthews seconded the motion. MOTION CARRIED UNANIMOUSLY.

Regent Tyrrell asked how much in private funds had been raised for the Center for University Advancement. Acting President Nathan responded that approximately \$8 million in private funds had been raised.

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

#### PERMISSION TO PROCEED WITH PROJECT PLANNING

##### Medical Laboratories--Remodeling Laboratory Suites 214 and 317

University officials requested permission to proceed with project planning for the remodeling of Suites 214 and 317 located on adjacent floors in the northeast wing of the Medical Laboratories. The spaces will be remodeled to house programs in gene therapy and molecular genetics, and this project will bring the presently inadequate laboratories to current functional requirements and standards.

The area to be remodeled includes approximately 7,700 square feet. An additional 1,500 gross square feet of space will be air-conditioned by the project. The estimated cost of the project was \$2,300,000 to be funded by a combination of university and College of Medicine funds.

This remodeling project was part of a pending grant application with the National Institutes of Health. This application included the remodeling of several additional areas within the Medical Laboratories. The university will not receive notice of approval of the grant before September 1995. In the event the application is approved, the scope of the project will be expanded. The project will be fully defined with presentation of the project description and budget for Board approval.

University officials proposed to utilize the professional staff of university Architectural/Engineering Services to provide architectural planning for the project. The university does not plan to enter into a design agreement with a consulting architect.

#### Engineering Building Modernization Project

University officials requested permission to proceed with planning for modernization of the Engineering Building to include major remodeling of the existing building and construction of an addition to the facility. This project is near the top of the university's capital request. During the last legislative session funds were provided to assist in the planning for the project. The university's FY 1996 capital plan presented to the Board in June included \$400,000 for this project, including \$200,000 from the capital appropriation, \$100,000 from the College of Engineering, and \$100,000 from building renewal funds.

The overall goals of the project are as follows: 1) expansion of student teaching function in the Engineering Building, and the development of modern, electronic classrooms capable of distance teaching on the fiber optics network (ICN); 2) modernization, expansion and equipping of teaching and research laboratories to provide state-of-the-art teaching facilities and to accommodate new College of Engineering educational and research initiatives in Biosciences, Environmental Engineering, and Computer Aided Design and Simulation (notably Driving Simulation; 3) expansion of the Engineering Library; and 4) integration of the Department of Chemical and Biochemical Engineering into the main engineering complex.

Since these goals cannot be achieved exclusively by remodeling, some new construction is also necessary. The new areas would be earmarked primarily for graduate education and research and would release substantial space in the existing building for use as modern classrooms and instructional laboratories.

The sources of funds anticipated for the project include State appropriations, gifts to the college, and other university resources.

University officials requested approval to initiate a search for architectural assistance for the project, and will return to the Board with its recommendation at the conclusion of this procedure.

Regent Dorr asked if the expenditures for planning would come out of FY 1996 funds. Vice President True responded that the General Assembly provided funds for planning for the Engineering Building Modernization Project. He said \$300,000 was embedded in the university's budget for this project, which was one of the projects included in the \$80 million in capital funding in the pipeline.

Dean Miller commented on the Engineering Building Modernization Project, stating that he was very pleased with the progress being made. The College of Engineering's enrollment has held constant at 1,200 students. The college has experienced a 20 percent increase in applications in the last 4 years which requires that university officials be very selective. The student quality has become a real hallmark of the University of Iowa's engineering program. The college focuses on unique programs including biomedical engineering. He said it has been 30 years since the university has received any State investment in the engineering teaching facility. Overcrowding of classrooms is quite common. The engineering facility is in bad need of modernization. The new facility will include a hook up for the Iowa Communications Network.

President Pomerantz stated that he had an opportunity to talk with Dean Miller last week. The Engineering Building Modernization project was a very compelling project. He said that one of the interesting attributes of this project was that it frees up a substantial amount of deferred maintenance and fire safety money. One of the main keys to the undergraduate program at the University of Iowa is adequate classrooms which are needed in other disciplines, as well. He said Dean Miller made the case for the need for this project very well. The Regents were ready to go with the project; there was just a lack of money. The Board will lobby very hard for the project.

President Pomerantz expressed appreciation to Dean Miller for taking the time to attend this meeting.

#### Residence System--Fire Protection Review

University officials requested approval to proceed with an evaluation of the installation of fire suppression systems (sprinklers) in the university residence system. The buildings of the residence system are maintained in compliance with Chapter 5 of the Iowa Administrative Code. Deficiencies cited in the State Fire Marshal inspections are corrected immediately, or when remodeling is required, the projects are placed on the residence system's capital improvement schedule.

Applicable codes do not require that these buildings, constructed during the 1960s and earlier, be equipped with fire suppression (sprinkler) systems. Nonetheless, the university would like to take the additional step of considering in a systematic manner the installation of fire suppression systems in the residence system facilities. University officials wish to initiate a study examining a number of factors to determine the feasibility of installing such systems in some or all of the buildings of the university residence system.

The proposed study will examine a number of issues including limiting installation of the systems to high-rise buildings only, design standards, project cost, time period for installation of the systems, the availability of adequate water supply and pressure, the simultaneous upgrade of other systems (such as fire detection systems), contracting for the installation, and the need to complete the work during periods of low or no occupancy.

The university has discussed this matter with the State Fire Marshal who agrees that it would be an appropriate fire safety issue for the university to consider. The State Fire Marshal has agreed to assist with the study. The Iowa City Fire Marshal would be requested to participate in the study as well.

#### PROJECT DESCRIPTIONS AND BUDGETS

Campus Fiber Optic Network \$5,878,690

Source of Funds: Telecommunication Revenue Bonds, or a  
Combination of Income from Treasurer's  
Temporary Investments and Telecommunications  
Improvement and Replacement Funds

University officials requested approval of project descriptions and budgets for projects 3 through 6, which total \$5,878,690. Projects 3 and 4, which include entrance facilities work, will modify existing or construct new rooms in selected buildings for termination of fiber cable and equipment for future distribution within each building. The work will include selective demolition, relocation of existing equipment, construction of new walls with protected openings, installation of power outlets and lighting and installation of a ventilation system, if required.

Projects 5 and 6 will provide for the installation within various buildings of telecommunications infrastructure consisting of wiring and associated components in office spaces. The projects will include the distribution of copper and fiber optic media and the construction of telecommunications closets where media will be interconnected and system support equipment will be located.

Campus Fiber Optic Network, Project 3 \$1,003,000

Preliminary Budget

Construction	\$ 784,500
Design, Inspection and Administration	
Consultants	127,684
Architect/Engineering Services	12,316
Contingencies	<u>78,500</u>
TOTAL	<u>\$ 1,003,000</u>

Project 3 includes entrance facilities for Old Capitol, Macbride Hall, Seashore Hall, Biology Building, Old Music Building, Phillips Hall, and Van Allen Hall. The project will install ductbanks from the Pentacrest to the east edge of the campus and will provide connections with Seashore Hall, the Biology Building, the Old Music Building, Eastlawn, Phillips Hall, and Van Allen Hall.

Project 3 includes both exterior and interior work, and therefore separate contracts will be issued for the entrance facilities and the exterior ductbank.

Campus Fiber Optic Network, Project 4 \$2,642,690

Preliminary Budget

Construction	\$ 2,067,100
Design, Inspection and Administration	
Consultants	316,900
Architect/Engineering Services	51,990
Contingencies	<u>206,700</u>
TOTAL	<u>\$ 2,642,690</u>

Project 4 will construct entrance facilities for Halsey Hall, Iowa Memorial Union, Women's Resource and Action Center, IMU Parking Ramp, Hydraulics Laboratory, Health Protection Office, South Quadrangle, Latino-Native American Cultural Center, Afro-American Cultural Center, Boyd Law Building, Art Building, Theatre Building, Hancher Auditorium, Music Building, Alumni Center, Museum of Art, Kinnick Stadium, Botany Plant House, Wendell Johnson Speech & Hearing Center, Hospital Parking Ramp # 1, Dental Science Building, Recreation Building, Hospital Parking Ramp # 2, Carver-Hawkeye Arena, Chilled Water Plant, Hospital Parking Ramp # 3, and Ronald McDonald House.



The project will install ductbanks to provide connections with the Iowa Memorial Union, Women's Resource and Action Center, IMU Parking Ramp, Halsey Hall, Health Protection Office, Latino-Native American Cultural Center, Afro-American Cultural Center, Boyd Law Building, Hydraulics Laboratory, Hillcrest, South Quadrangle, Art Building, Alumni Center, Museum of Art, Theatre Building, Music Building, Hancher Auditorium, International Center, Bowen Science Building, Dental Science Building, Hospital Parking Ramp #1, Wendell Johnson Speech & Hearing Center, Botany Plant House, Chilled Water Plant, Hospital Parking Ramp #3, Carver-Hawkeye Arena, Recreation Building, Ronald McDonald House, Hospital Parking Ramp #2, and Kinnick Stadium.

Project 4 includes both exterior and interior work, and therefore separate contracts will be issued for the entrance facilities and the exterior ductbank.

Campus Fiber Optic Network, Project 5 \$1,122,600

Preliminary Budget

Construction	\$ 919,100
Design, Inspection and Administration	
Consultants	96,350
Architect/Engineering Services	15,250
Contingencies	<u>91,900</u>
 TOTAL	 <u>\$ 1,122,600</u>

This project will install telecommunications infrastructure within the Engineering Building, Medical Laboratories, Eastlawn, and Bowen Science Building.

Campus Fiber Optic Network, Project 6 \$1,110,400

Preliminary Budget

Construction	\$ 890,500
Design, Inspection and Administration	
Consultants	114,100
Architect/Engineering Services	16,700
Contingencies	<u>89,100</u>
 TOTAL	 <u>\$ 1,110,400</u>

This project will install telecommunications infrastructure within the Medical Education Building, Library, Wendell Johnson Speech & Hearing Center, Van Allen Hall, and the Dental Science Building.

University Hospitals and Clinics--Carver Pavilion West \$750,000  
Mechanical Equipment Upgrade

Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 600,000
Architectural/Engineering Support	60,000
Planning and Supervision	30,000
Contingency	<u>60,000</u>
TOTAL	<u>\$ 750,000</u>

University officials requested approval of a project description and budget to upgrade the mechanical equipment in Carver Pavilion. The project will replace two old and technologically outmoded air handling units and will enlarge and realign the main supply and return ductwork serving the units. The units are reaching the end of their expected lives and are of insufficient capacity to meet the air handling requirements of the building area which they serve (lower level through second level). The enlargement and realignment of ductwork will resolve cooling and ventilating deficiencies presently experienced and will allow for future expansion of the system. The project will also replace piping and control systems.

Hardin Library for Health Sciences--Information Arcade \$741,375

Source of Funds: College of Medicine Gifts and Grants

Preliminary Budget

Construction	\$ 593,050
Design, Inspection and Administration	
Consultants	17,500
Architect/Engineering Services	71,525
Contingencies	<u>59,300</u>
TOTAL	<u>\$ 741,375</u>

University officials requested approval of a project description and budget to develop an information arcade in the Hardin Library for Health Sciences. The area to be remodeled

contains approximately 7,200 square feet of space located in the northeast and center sections of the second floor of the library. The project will provide for a 25 station computer classroom, an information desk and waiting area, a technical support area, and a 33 student workstation computer support area. The entire facility will function as a support space for students and faculty in the areas of computer operation and information retrieval, and will integrate these resources and skills into the educational process.

Work will include the demolition of the area and the construction of new walls, ceiling, lighting and carpeting. Extensive modifications will be made to the area HVAC and electrical systems. Built-in furnishings include an information desk and fixed classroom stations. Movable equipment, including workstations, waiting area furniture and student seating, is also included.

Institutional Roads--South Grand Avenue Improvements \$345,225  
Source of Funds: Institutional Roads

Preliminary Budget

Construction	\$ 267,100
Design, Inspection and Administration	
Consultants	46,070
Architect/Engineering Services	5,345
Contingencies	<u>26,710</u>
 TOTAL	 <u>\$ 345,225</u>

University officials requested approval of a project description and budget to reconstruct a portion of South Grand Avenue. The project will include the area from the southeast corner of the Pharmacy Building to the southeast corner of the Medical Laboratories Building.

South Grand Avenue provides public and truck delivery access to the General Hospital, Pharmacy Building, Medical Laboratories, Medical Research Center, and Bowen Science Building, and receives a heavy volume of truck traffic for deliveries. This roadway also provides emergency fire access to the area.

The project will include reconstruction of curb and gutter and storm water intakes. The project will also provide paved access to the loading docks of the Pharmacy Building and the Medical Laboratories. The sidewalk that is adjacent to the street will also be replaced.

Medical Research Center--Correct Fire Safety Deficiencies Original Budget \$437,600

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Amended Budget \$437,600

Project Budget

	Original Budget <u>June 1995</u>	Revised Budget <u>July 1995</u>
Construction	\$ 356,600	\$ 356,600
Design, Inspection, and Administration		
Consultants	23,300	23,300
Architectural/Engineering Services	22,000	22,000
Contingencies	<u>35,700</u>	<u>35,700</u>
 TOTAL	 <u>\$ 437,600</u>	 <u>\$ 437,600</u>
 Source of Funds:		
Building Renewal	\$ 437,600	\$ 293,860
Academic Building Revenue Bonds	<u>                    </u>	<u>143,740</u>
 TOTAL	 <u>\$ 437,600</u>	 <u>\$ 437,600</u>

University officials requested approval of an amended project budget which reflected the addition of Academic Building Revenue Bonds in the amount of \$143,740, and a corresponding decrease in Building Renewal funds to be applied to the project.

\* \* \* \* \*

University officials reported 12 new projects with budgets of less than \$250,000. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university.

\* \* \* \* \*

## ARCHITECT/ENGINEER AGREEMENTS

Residence System--Fire Protection Review \$101,505  
Durrant Engineers, Dubuque, Iowa

University officials requested approval to enter into an agreement with Durrant Engineers for the evaluation of the installation of fire suppression systems in the university residence system.

University officials recommended the selection of Durrant Engineers to perform the study. The proposal submitted by Durrant Engineers provides for the evaluation of current codes and standards, discussion of needs of the Residence System, detailed building surveys, identification of work scope, construction phasing and estimated project costs. Work will be documented in a project report to be submitted to the university for review and follow-up discussions.

Durrant Engineers proposed to complete the study for a cost not to exceed \$101,505, including reimbursables.

Gilmore Hall Remodeling \$98,730  
Baldwin White Architects, Des Moines, Iowa

University officials requested approval of the second agreement with Baldwin White Architects. The agreement provides for a fee of \$98,730, including reimbursables.

Carver-Hawkeye Arena--Install Rigging \$75,865  
Donovan Rigging, Inc., Seattle, WA

University officials requested approval to enter into an agreement with Donovan Rigging, Inc., for a study of the load capabilities of the roof of Carver-Hawkeye Arena and the design of anchorage devices for the facility. Carver-Hawkeye Arena is used for purposes other than sports events, including graduation ceremonies, exhibitions and entertainment shows. These non-sports events generally require the installation of cables and anchoring devices (rigging) to support curtains, additional lighting, speakers and backdrops. This use of the arena has been relatively sporadic and the necessary rigging has been installed on a case-by-case basis.

University officials selected the team of Donovan Rigging, Inc., Seattle, Washington, in association with Getty, White and Mason, Structural Engineers, Milwaukee, Wisconsin (and registered in the State of Iowa), and Jay O. Glerum and Associates, Inc., Seattle, Washington, rigging consultants. Their work will include an analysis of the load

capabilities of the existing roof structure, and design and construction documents for catwalks and anchorage devices. They will also assist the university with the installation.

The university will return to the Board for approval of the project budget based on the project design. The agreement provides for a fee of \$75,865, including reimbursables.

Institutional Roads--South Grand Avenue Improvements \$46,070  
Shive-Hattery Engineers and Architects, Inc., Iowa City, Iowa

University officials requested approval to enter into an agreement with Shive-Hattery Engineers and Architects to provide design services for the project. The agreement provides for a fee of \$46,070, including reimbursables.

Hillcrest Residence Hall--Replace Existing Primary Electrical Services \$40,000  
Alvine and Associates, Inc., Omaha, NE

University officials requested approval to enter into an agreement with Alvine and Associates to provide design services for the upgrade of the exterior electrical service to Hillcrest Residence Hall. Electrical service to Hillcrest Residence Hall and within the facility is outdated and inadequate. A recent study conducted by Alvine and Associates outlined a phased program to upgrade the exterior primary services and the interior secondary service to remove deficiencies and to respond to anticipated increased electrical demand.

The exterior project will replace the existing two-phase high voltage primary with a new three-phase high voltage service compatible with service on the rest of the campus. Work may include the installation of 1,000 feet of ductbank, four vaults, two 1500 KVA transformers and related equipment and transformers.

Following completion of the design development phase, university officials will present the project description and budget for Board approval. The agreement with Alvine Associates provides for a fee of \$40,000, including reimbursables.

Medical Research Center--Correct Fire Safety Deficiencies \$23,000  
Wehner, Pattschull and Pfiffner, Iowa City, Iowa

University officials requested approval of an agreement with Wehner Pattschull and Pfiffner to provide design services for the project. The agreement provides for a fee of \$23,000, including reimbursables.

Levitt Center for University Advancement--Utility Extensions \$12,973  
Ament Engineering Associates, Cedar Rapids, Iowa

University officials requested approval of an agreement with Ament Engineering Associates to develop the concept and preliminary construction cost estimates for utilities to serve the new Levitt Center for University Advancement. The agreement provides for a fee of \$12,973, including reimbursables.

Amendments:

Main Power Plant Capacity Improvements Amendment #5 \$1,550  
Stanley Consultants, Muscatine, Iowa Amendment #6 \$78,156

University officials requested approval of two amendments totaling \$79,706 to the agreement with Stanley Consultants for improvements to the university power plant.

Amendment #5 in the amount of \$1,550 will provide for additional engineering services, including inspection of the existing precipitator foundation and design of a deionized water heater and booster pump. Amendment #6 in the amount of \$78,156 will provide full-time construction observation services which were not included in the original agreement. The complexity of the project and the need to develop field modifications have resulted in the need for these additional services.

Amendments No. 5 and 6 will not result in an increase in the total project budget.

University Hospitals and Clinics--Material Distribution \$2,197  
Support Facilities Development  
Hansen Lind Meyer, Inc., Iowa City, Iowa

University Hospitals and Clinics--Multidisciplinary Faculty and \$800  
Staff Office Development  
Hansen Lind Meyer, Inc., Iowa City, Iowa

CONSTRUCTION CONTRACTS

Iowa Memorial Union--Footbridge Repairs \$593,411  
Award to: Iowa Bridge and Culvert, Washington, Iowa  
(2 bids received)

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Campus Fiber Optic Network--Project 1--Contract 2 \$505,151  
Exterior Ductbank Route  
Award to: Wolf Construction, Inc., Iowa City, Iowa  
(6 bids received)

Campus Fiber Optic Network--Project 1--Contract 1 \$210,033  
Entrance Facilities Construction  
Award to: Gerard Electric, Inc., Iowa City, Iowa  
(3 bids received)

Jefferson Building--Correct Fire Safety Deficiencies \$141,854  
Award to: Selzer-Werderitsch Construction Company, Inc., Iowa City, Iowa  
(2 bids received)

University Hospitals and Clinics--South Pavilion Telecommunications \$49,808  
Switchroom Development--Pomerantz to Melrose Conduits and Ductbank  
Award to: Meisner Electric, Inc., Newton, Iowa  
(4 bids received)

#### ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Mayflower Residence Hall--Construct Retaining Wall  
Iowa Bridge and Culvert, Inc., Washington, Iowa

University Hospitals and Clinics--Emergency Medical Services Learning Resources  
Center Relocation  
McComas-Lacina Construction Company, Inc., Iowa City, Iowa

Bowen Science Building--Microbiology Laboratory Remodeling--Cores 3-300 and 3-600  
Selzer-Werderitsch Construction Company, Inc., Iowa City, Iowa

West Campus Chilled Water Plant Expansion--Final Phase  
Quad City Mechanical, Inc., Davenport, Iowa

University Hospitals and Clinics--Development of an Eye Institute (Shell)  
McComas-Lacina Construction Company, Inc., Iowa City, Iowa

#### FINAL REPORTS

Steam Distribution System Improvements--Power Plant to \$2,609,222.28  
South Grand Avenue



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<u>Medical Laboratories--Animal Care Remodeling</u>	<u>\$1,699,822.08</u>
<u>Multi-Tenant Facility, Oakdale Research Park--Construct Center for Biocatalysis and Bioprocessing Laboratory</u>	<u>\$1,187,948.13</u>
<u>Storm and Sanitary Utility Improvements--West Campus</u>	<u>\$843,242.71</u>
<u>University Hospitals and Clinics--Corridor Completion and and Air Handling Unit Installation</u>	<u>\$761,563.75</u>
<u>University Hospitals and Clinics--Completion of Main Entrance Lobby Shell</u>	<u>\$744,787.08</u>
<u>University Hospitals and Clinics--Pappajohn Pavilion Public Restrooms, Stairwells and Cartlift Finishing</u>	<u>\$687,686.86</u>
<u>University Hospitals and Clinics--Emergency Treatment Center Expansion and Alternations Project</u>	<u>\$592,279.45</u>
<u>Medical Laboratories--Construct Fire Stairs, West Wing</u>	<u>\$575,479.04</u>
<u>University Hospitals and Clinics--Colloton Pavilion West Entrance Enclosure and Lobby Development</u>	<u>\$531,702.23</u>
<u>University Hospitals and Clinics--Medical Records Office and Record Storage Consolidation--Phase 5 of Consolidated Material Distribution System</u>	<u>\$509,458.06</u>
<u>University Hospitals and Clinics--Surgery Faculty Office Consolidation</u>	<u>\$480,889.14</u>
<u>Utility Tunnel Asbestos Abatement</u>	<u>\$328,795.47</u>
<u>University Hospitals and Clinics--Headend Air Handling Unit System Installation</u>	<u>\$316,608.00</u>
<u>University Hospitals and Clinics--Patient Fiscal and Admitting Service Expansion</u>	<u>\$275,556.26</u>
<u>Van Allen Hall--Install Fire Alarm</u>	<u>\$246,852.81</u>
<u>University Hospitals and Clinics--West General Hospital Air Handling Unit Replacement</u>	<u>\$213,172.57</u>

MOTION: Regent Newlin moved to approve the university's capital register, as presented. Regent Johnson-Matthews 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 lease as lessor with The Patient Education Institute for its use of 422 square feet of business incubator space at the Technology Innovation Center at the Oakdale Research Park at the rate of \$211 per month (\$6 per square foot, \$2,532 per year) for a one-year period.

University officials requested approval to enter into a lease as lessee with the Des Moines Area Community College for the university's use of 1,430 square feet of classroom space located in Newton, Iowa, at the rate of \$1 per year, for approximately five years.

University officials requested approval to renew a lease as lessee with M and L Partners for the university's use of 9,702 square feet of warehouse space in Iowa City, at the rate of \$2,700.39 per month (\$3.34 per square foot, \$32,404.68 per year) for a two-year period.

MOTION: Regent Pellett moved to approve the leases, presented. Regent Kennedy seconded the motion, and upon the roll being called, the following voted:  
AYE: Collins, Dorr, Johnson-Matthews, Kennedy, Newlin, Pellett, Pomerantz, Smith, Tyrrell.  
NAY: None.  
ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

**BICYCLE OPERATION REGULATIONS - FEES AND FINES.** The Board Office recommended that the Board give approval to new bicycle operation regulations, including the schedule of fines and fees, for the University of Iowa.

University of Iowa officials requested Board approval of its bicycle operation regulations, as required by section 10.07 of the Board of Regents Procedural Guide. University officials proposed the following schedule of bicycle fines:

Attached to, or rested against trees or shrubs	\$ 5.00
Attached to, or rested against handrails or handicap ramp railings	\$ 5.00
Attached to, or rested against handicap parking meter	\$ 5.00
Blocking access to, or use of any university facility	\$ 5.00
Parked inside a university building	\$ 5.00
Attached to, or rested against street furniture	\$ 5.00
Cutting, removing or damaging a university locking device	\$50.00

The \$5 fines will apply to the first five parking violations in a one-year period; all subsequent violations will be \$10 each. Bicycles accumulating ten or more violations in one year will be subject to impoundment.

University officials proposed the following schedule of bicycle fees:

Immobilization	\$ 10.00 per incident
Impoundment	\$ 25.00 per incident
Storage Costs	\$ 1.00 per day

The university retained the services of Steve Clark Associates and White, St. Croix Falls, Wisconsin, to conduct a comprehensive bicycle parking study for the development of bicycle parking regulations. The results of this study were circulated widely within the university community for review and public forum discussions.

The report was extensively reviewed by the university Campus Planning Committee, Safety and Security Committee, and Committee on Parking and Transportation.

The proposed bicycle operation regulations, including the proposed fines and fees, were the result of these discussions and deliberations.

MOTION: Regent Smith moved to give approval to new bicycle operation regulations, including the schedule of fines and fees, for the University of Iowa. Regent Johnson-Matthews seconded the motion. MOTION CARRIED UNANIMOUSLY.

**REPORT TO THE BOARD AS BOARD OF TRUSTEES FOR THE UNIVERSITY OF IOWA HOSPITALS AND CLINICS.** The Board Office recommended the Board receive the report and approve the proposed goals for the University of Iowa Hospitals and Clinics.

The Board members heard a report from the University of Iowa Hospitals and Clinics that included the following items:

Quarterly update on UIHC operations, programs, finances and capital replacement program. This quarterly update contrasted patient service volume and other statistics for 1994-95 with those for the previous four fiscal years. Pertinent implications of trends were discussed. Capital replacement and development projects which have been completed or initiated since the University of Iowa Hospitals and Clinics' last quarterly report were presented along with a brief review of the University of Iowa Hospitals and Clinics' five-year capital program for FY 1997-2001. Financial statistics for the period through May 1995 on the major units encompassed within the University of Iowa Hospitals and Clinics were also reviewed and contrasted with data from the previous fiscal year.

Revised University of Iowa Hospitals and Clinics strategic planning program. In accord with a university-wide process, the University of Iowa Hospitals and Clinics revised and updated its strategic plan. A copy of this document entitled "Strategic Planning Program: Process, Goals, Strategies and Outcomes" was presented to Board members. The process used for reviewing and rewriting the strategic planning program of the University of Iowa Hospitals and Clinics was described and key components of the revised plan were highlighted.

Report on University of Iowa Hospitals and Clinics delegated governance functions. The activities of the University Hospital Advisory Committee (UHAC) in carrying out its delegated governance functions in accord with the Bylaws, Rules and Regulations of the UIHC and its Clinical Staff were discussed. The report encompassed a review of significant items addressed by the UHAC and its subcommittees during the past year, privileges granted to clinical staff and activities associated with overseeing quality assessment functions.

Update on clinical enterprise activities. The University of Iowa Hospitals and Clinics Director and Chief Executive Officer, Mr. R. Edward Howell, and the Dean of the College of Medicine, Dr. Robert P. Kelch, discussed significant issues which the University of Iowa Hospitals and Clinics and College of Medicine have been addressing in recent months. Their discussion encompassed joint planning efforts, ongoing discussions and collaboration with community hospitals and physicians and new initiatives that are being undertaken through the clinical enterprise.

The University of Iowa Hospitals and Clinics strategic planning program for fiscal year 1995-96 was presented to the Board for approval. The University of Iowa Hospitals and Clinics' mission as stated in the plan is as follows:

The University of Iowa Hospitals and Clinics, in compliance with the Code of Iowa, serves as the teaching hospital and comprehensive health care center for the state of Iowa, thereby promoting the health of the citizens of Iowa. The University of Iowa Hospitals and Clinics, in concert with the University of Iowa health science colleges, functions in support of health care professionals and organizations in Iowa and other states by: 1) offering a broad spectrum of clinical services to all patients cared for within the Center and through its outreach programs; 2) serving as the primary teaching hospital for the University; and 3) providing a base for innovative research to improve health care.

The aspirations stated in the plan are:

The “aspirations” of the University of Iowa Hospitals and Clinics are: (1) To further enhance the quality and value of health care services at the UIHC so as to ensure that the patient base required to support clinical training responsibilities in the health science educational programs based at the UIHC will be sustained; and, (2) To build upon its current status as one of the best hospitals in America by reaching new levels of excellence in developing and applying state of the art and cost effective health care practices.

An assessment of UIHC’s environment includes:

- A. Market driven changes in Iowa’s health care delivery system. The market evolution model’s implications for reduced support are presenting the University of Iowa Hospitals and Clinics and other academic health care centers across the nation with unparalleled challenges. In addressing these challenges, the University of Iowa Hospitals and Clinics will need to pursue strategies for managing markets, managing value and managing change. In so doing, the University of Iowa Hospitals and Clinics will need to participate in a broad range of initiatives to maintain its patient base at a level required to sustain its comprehensive patient care, health science education and clinical research missions. In the increasingly competitive environment, the University of Iowa Hospitals and Clinics must focus heavily on providing efficient, high quality, lower cost patient care services, including a greater emphasis on primary care services. Continuing constraints on choice of provider, especially initiatives to limit out-of-community referral, may further impact referrals to the University of Iowa Hospitals and Clinics from Iowa and the surrounding region.
- B. Health Care Payment Trends. The University of Iowa Hospitals and Clinics will need to focus further attention on controlling costs associated with provision of services and educational programs as well as increasing the efficiency of all operations. There will be increased reluctance on the part of major payors to

reimburse the University of Iowa Hospitals and Clinics for educationally-related costs. It will be increasingly difficult for the University of Iowa Hospitals and Clinics to subsidize clinic operations which generate net financial losses.

- C. Legislated Health Care Reform Trends. The University of Iowa Hospitals and Clinics needs to stay apprised of national and Iowa health care reform proposals and influence their development to sustain its three-part mission.
- D. Economic Trends. It will be more challenging to identify new sources of State revenue to finance Medicaid and indigent patients and costs associated with educational programs. Pressures to control and reduce costs will continue as health care expenditures increase as a portion of the national and State GDP.
- E. Indigent Patient Care. Overall, the number of patients receiving services at the University of Iowa Hospitals and Clinics through the University of Iowa Hospitals and Clinics Indigent Patient Care program has remained stable at approximately 5,400 admissions and over 39,000 ambulatory patient visits. At the same time due to the decentralization of obstetrics services for indigent patients and the introduction of the Medicaid Medically Needy Program, the total number of births at the University of Iowa Hospitals and Clinics declined significantly. The University of Iowa Hospitals and Clinics has continued to serve the indigent patient population over the past 80 years and will continue doing so as long as a need exists.
- F. Population, Health and Technological Trends. An increasing proportion of University of Iowa Hospitals and Clinics patients will be older. This will be driven by their relative increase as a proportion of the population and their relatively higher use of specialized health care services. University of Iowa Hospitals and Clinics will also need to provide health care services to growing numbers of patients with infectious diseases.
- G. Education Trends in Medical and Other Health Professions. The University of Iowa Hospitals and Clinics will need to continuously evaluate, anticipate and adjust size and specialty mix of its training complement based on health system needs and available funding. Iowa's health care delivery system will continue to rely on health science training programs at the University of Iowa Hospitals and Clinics for training health professionals to staff community-based delivery systems. It is also likely that the University of Iowa Hospitals and Clinics will be called on to provide retraining of some specialists who wish to devote more or all of their efforts to primary care.

- H. Quality Focus and Regulatory Trends. Given the increased use of data by accrediting and contracting bodies, the University of Iowa Hospitals and Clinics must be adept at measuring, monitoring and improving outcomes. The University of Iowa Hospitals and Clinics must also effectively communicate this information to appropriate entities, continue to monitor pertinent regulatory activities and develop strategies to meet these requirements and all patient perceptions of quality.

The goals for University of Iowa Hospitals and Clinics include:

- Goal 1. Expand the capacity of the University of Iowa Hospitals and Clinics to provide primary and community-based care to support increased emphasis on primary care education and to furnish the base for an integrated network of health services delivery capable of contracting for comprehensive care of enrollees in managed care systems.
- Goal 2. Develop new markets by creating and applying new knowledge to development of cutting edge clinical services and enhance competitiveness by refining the provision of current clinical services.
- Goal 3. Develop the capacity to support effectively the University of Iowa Hospitals and Clinics' missions through a more sophisticated market analysis and communication mechanism.
- Goal 4. Reduce costs associated with providing patient care while maintaining/expanding support for educationally-related costs; and increase productivity levels to enhance University of Iowa Hospitals and Clinics' competitive position. Attention must be given to maintaining or improving patient care quality, service and access, yet also reducing costs.
- Goal 5. Coordinate and balance efforts to manage quality and cost.
- Goal 6. Enhance the value of health science education and clinical research efforts while increasing efficiency of patient care.
- Goal 7. Enhance information access and decision support in the clinical enterprise.
- Goal 8. Examine and refine operations at the University of Iowa Hospitals and Clinics to ensure that all patients have user-friendly access to comprehensive high quality health care services provided in an environment which consistently results in convenient, courteous, safe and timely patient care, while meeting the educational objectives of the training programs.

- Goal 9. Enhance linkages to community health care providers.
- Goal 10. Foster the recruitment and retention of high-quality staff while enhancing the diversity of the staff.
- Goal 11. Continue development of replacement facilities that will provide the State of Iowa and the University of Iowa with a modern comprehensive teaching hospital well into the 21st Century.

President Pomerantz made special note of the recent U.S. News and World Report article which indicated that the University of Iowa Hospitals and Clinics is ranked as the 14th best hospital in the country. He congratulated University of Iowa and University of Iowa Hospitals and Clinics officials for the accomplishment.

Director Howell stated that University of Iowa Hospitals and Clinics was concluding a most positive year of operating performance. He urged caution as the growth of managed care continues to impact the health care market forcing effective management of expenses.

Mr. Yerington reviewed with the Regents the operating statistics and financial performance measures of the University of Iowa Hospitals and Clinics for FY 1995. Although the books were not yet closed, he said the net revenues and gross billings were up 6.5 percent. The effect of managed care will continue to increase. The net revenue by payor indicated that the managed care payor funds increased by 42.9 percent from fiscal year 1994.

President Pomerantz asked for an explanation for the dramatic increase in bad debts every year. Mr. Yerington responded that the growth in bad debts reflected a number of dynamics. An article in the Wall Street Journal indicated that 1.1 million Americans become uninsured every year. There continues to be an increase in the number of underinsured lives. Many of those who are fully insured have a much larger deductible and coinsurance, which also serves to increase bad debt. He said the UIHC's actual write offs this year totaled \$14 million, \$4 million above last year's direct write offs. A study by UIHC officials determined that the amount anticipated for future write offs was probably on the light side; the amount was raised to the 25 percent level. He said the remainder of the bad debt was attributable to the receiveables being higher this year.

President Pomerantz asked if a reserve system is used. Mr. Yerington responded affirmatively, stating that direct write offs are charged against the reserve and the reserve grew. The size of the reserve was now \$28 million, up from \$23.2 million last year. He noted that the change was also an internal audit recommendation.



Regent Collins asked what UIHC officials what the trend would be with bad debt in the future. Mr. Yerington responded that UIHC officials would be challenged to keep it from growing. He said there was no indication that the uninsured and underinsured segment of the population will decrease until a resolution is reached on health care reform.

Regent Collins asked how University of Iowa Hospitals and Clinics' bad debt experience compared with the experience of non-State related hospitals. Mr. Yerington responded that the average percent of gross billings being written off were 3.8 percent while the national average was 2.6 percent. The 75th percentile of the national average is 3.9 percent to 4 percent. The nature of the University of Iowa Hospitals and Clinics is that it is the last hope for Iowa citizens; no one is turned down in the rendering of care. He concluded by stating that the amount of bad debt was much higher than what was experienced in the past.

Regent Collins questioned how the University of Iowa Hospitals and Clinics compared, for example, with Mercy Hospital in Iowa City. Mr. Yerington said he would be quite surprised if the increasing proportion of bad debt was not higher at all hospitals. UIHC will have more bad debt than most hospitals. The only other hospital in the state that operates on a basis similar to UIHC is Broadlawns in Des Moines which has a 3.4 percent operating margin.

Regent Newlin asked for the acceptable level of FTEs per occupied bed. Mr. Yerington responded that the UIHC's figures were in the general range of national averages for an academic health center. He cautioned that the figures were very misleading because it would depend on the patient that a hospital would have left after carving out of a hospital's patient population base to accommodate funding levels. Typically the patients that are lost are the less-costly patients, the ones that require fewer FTEs per bed.

Vice President Manasse stated that while there may be a decrease in actual numbers of FTEs per bed, the skill level of those individuals will likely go up. As the patient acuity increases, the talent level will also have to increase.

Mr. Richey asked how the decline in Medicare and Medicaid net revenue receipts compared to Medicare and Medicaid patient admissions. Mr. Yerington responded that Medicare patient admissions are up 4.5 percent. He said Medicaid patient admissions have increased even more dramatically because Medicaid is becoming involved in managed care. Medicaid has at least two major managed care programs in which it is enrolling its patients. Patients in Medicaid's Medipass program, which is now in most Iowa counties, are also classified as managed care patients.

President Pomerantz referred to the net operating margin and asked if UIHC carries its own interest income. Mr. Yerington responded affirmatively, stating that \$5 million would be added to the \$14 million. Last year the amount was \$6.7 million.

Vice President Manasse projected that in the future there will probably be even more managed care patients in Medicare. The assumption is that the majority of the health care provided at UIHC will be provided under managed care contracts which will affect inpatient utilization. He expects that more patients will be served in the outpatient clinics versus inpatient services.

Mr. Yerington reviewed the monthly financial report as of May 31, 1995, on a cash basis. UIHC officials are making efforts this year to get ahead of the curve in reducing costs.

Regent Collins asked where in the financial reports the cross-relationships between the College of Medicine and the University of Iowa Hospitals and Clinics could be found. Mr. Yerington responded that those types of figures would not show up individually. Those funds are a combination of salaries, supplies and expense figures.

Regent Collins stated that in the future there will have to be less financial support for the medical school through the hospital and more support from the legislature. At some time the State is going to have to support its medical school.

Mr. Yerington stated that support for the College of Medicine is included as part of the educationally-related costs of the hospital.

Mr. Staley reviewed the patient census data with the Regents. He said there has been a steady growth in admissions in the past 5 years although acute care admissions are down while the number of admitted outpatients has increased. There has been a continual movement of care from inpatient to ambulatory services. On January 1 UIHC officials adopted three new bed occupancy classifications; some patients who would have been assigned an occupancy status of "acute" previously are now being listed as less than acute. He said the average length of patient stay is declining. The number of acute patients has been relatively stable although more patients are being moved out of that category and into the other categories. The length of stay of admitted outpatients as well as the number of acute patient days of care have declined. The case mix index has experienced moderate growth. The case mix index at the University of Iowa Hospitals and Clinics is much greater than at other hospitals in the state. There has been a growth in average daily visits to ambulatory clinics.

Mr. Staley discussed the impact of the dramatic growth in the number of managed care patients and progress in meeting capital replacement objectives.

Regent Newlin asked about construction of a material services processed linen storage and dispensing facility in the Carver Pavilion. Mr. Staley said construction had begun during this last quarter. The entire program was approved in 1992.

Regent Collins asked if the construction project was on schedule. Mr. Staley responded that it was on schedule.

Mr. Staley discussed three capital projects which he said were very important to meeting the need for clinic space: the Iowa Women's Health Center, the Geriatric and Other Internal Medicine Clinics, and patient and other support facilities. He said completion of those projects will greatly enhance UIHC's ambulatory care services. The occupants of the Steindler Building can then be relocated to make space for the new Biosciences Building. He noted that all of the projects were contingent upon the availability of self-generated University of Iowa Hospitals and Clinics funding.

Director Howell stated that UIHC officials added the managed care line item to the UIHC financial summary to permit tracking of the growth in the number of managed care patients and how managed care fits into the total volume picture.

Director Howell introduced John Tinker, Vice Chair of the Strategic Planning Committee, to present the University of Iowa Hospitals and Clinics long-range strategic plan.

Dr. Tinker reviewed the planning process, long-range goals and related strategies. He said the next step in the process will be for UIHC administration to develop a tactical plan.

President Pomerantz asked about coordinating the strategic plan and tactical plan. Dr. Tinker said the tactical plan, to be delineated by hospital administration, would incorporate the strategies of the plan.

President Pomerantz said he was concerned as he reviewed the strategic plan that there were no specific timelines or detailed strategies. If there is a tactical plan that lays over the strategic plan, it would be helpful for the Regents to have because it would answer many questions.

Dr. Tinker stated that the process in the academic health center involves first obtaining buy-in from the constituency. The timelines, resource allocations and personnel assignments have not been but will be addressed.

Vice President Manasse stated that in October, when UIHC officials make their next presentation to the Board, the Regents will be presented with the layover between the strategic plan and the tactics. He said that what Dr. Tinker was alluding to was a separation between the advisory committee's activities and hospital administration.

Regent Newlin said there seemed to be a problem with terminology. Essentially what the Regents were presented with at this meeting was phase one of a strategic plan. University and hospital officials will return with phase 2 which will include timelines, etc.

Dr. Tinker stated that in an academic environment there was a need to achieve buy-in from large numbers of a very disparate constituency, which was what was attempted with the document under discussion at this meeting.

Director Howell stated that he had heard the charge, and that UIHC officials would be back with more specifics in October.

Director Howell introduced William Hesson and Robert Rodnitzky to present the UIHC report on delegated governance functions, which they did.

Dr. Rodnitzky reviewed the report of the University Hospital Advisory Committee as well as the functions of the committee.

President Pomerantz asked for the top two or three issues with which the advisory committee was currently dealing. Dr. Rodnitzky responded that the top issue was the reorganization of the committee's structure to ensure its energies are directed toward appropriate goals. The second most important issue was the UIHC strategic plan. He said that in some respects everything is rolled up into the strategic plan. The third top issue concerned the clinical enterprise.

Regent Newlin asked if most of the physicians who belong to the hospital advisory committee are designated by the position they hold. Dr. Rodnitzky said that was correct, except for five positions.

Regent Newlin asked how the individuals serving in those five positions are replaced. Dr. Rodnitzky responded that those individuals are replaced by election, although 2 or 3 of the 5 are re-elected each year.

President Pomerantz referred to the delegation of the Board's authority to the advisory committee and stated that the Board had not delegated its legal responsibility. It preserved its right for policy oversight and review. The Board needs to be in the loop when there are major policy issues to be decided. Dr. Rodnitzky said there was certainly no debate on that issue.

President Pomerantz asked for comment on the recently-published ranking of the University of Iowa Hospitals and Clinics as the 14th best hospital in the country according to the U.S. News and World Report.

Dr. Rodnitzky stated he believed that the UIHC exceeded the qualifications of some of the institutions ranked above it. He noted that there were no minor league institutions in the top 18.

Director Howell stated that the next topic for discussion was the clinical enterprise. He said it was critical that the UIHC and the College of Medicine address the issues of clinical delivery of medical care in a collaborative fashion. They have developed support and structure to support this collaborative effort which was now called the clinical enterprise.

Dean Kelch discussed the clinical enterprise plan and management.

Regent Newlin asked about the strategic planning process in the College of Medicine. Dean Kelch responded that a great deal of cultural change had to take place. He will work more on the action plan which will be similar to that of the UIHC. There needs to be buy-in for the action steps.

Director Howell discussed some of the clinical enterprise programs and network activities that have been undertaken.

Regent Dorr asked for a brief update on the status of the relationship of the PHO and community choice. Vice President Manasse said university officials will provide the Board with a status report in October.

Regent Dorr asked if any of the efforts were generating patient flow or revenues. Director Howell responded affirmatively, stating that there were about 8,000 covered lives in the two communities of Des Moines and Sioux City. He said the growth of a product like that comes twice a year; January in Iowa is the largest renewal time.

President Pomerantz suggested there were several issues touched on today which were left unresolved, some of which were governance issues. He asked that university officials stay in close contact in working together to resolve those issues.

President Pomerantz expressed the Board's appreciation to Vice President Manasse, Dean Kelch and Director Howell for the time they had taken over the last two days to meet with the Regents.

Regent Newlin asked for the six specialties in which UIHC is ranked high nationally. Director Howell responded that those specialties are orthopedics, ophthalmology, otolaryngology, urology, endocrinology, and neurology.

President Pomerantz asked if the UIHC was ranked very high in the areas of cancer and cardiology. Director Howell responded that an application had been submitted to the National Institutes of Health for a grant which will be vital to its cancer program. He said the area of cardiology may have been flawed in the study. He believes the cardiology service is excellent and worthy of being on the list of the best departments nationally.

President Pomerantz said he agreed.

Vice President Manasse stated that it had been a pleasure working with Dean Kelch and Director Howell over the last year. Both were men of goodwill to whom he extended the gratitude of the University of Iowa. The future of Iowa was very close to their hearts. He said they would return in October. He hoped to have much communication between now and then to deal with some of the issues that had been discussed.

#### IOWA STATE UNIVERSITY

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

#### **RECOGNITION OF DAVID SLATER.**

President Pomerantz stated that Iowa State University officials had asked the Board to pass a resolution in recognition of David M. Slater for his conscientious and dedicated work as Director of Transportation Services and for his many courtesies and services to members of the Board of Regents during their visits to Iowa State University.

#### **MOTION:**

Regent Dorr moved to approve the resolution as proposed by Iowa State University officials.  
Regent Johnson-Matthews seconded the motion.  
**MOTION CARRIED UNANIMOUSLY.**

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

Register of Personnel Changes for June 1995 which included two requests for early retirement and one request for phased retirement.

Provided for the Board's information was the decision of ROBERT ANDERSON, Vice Provost of Extension, to step aside from his position and assume responsibilities as a professor of Electrical and Computer Engineering on or before August 1, 1995.

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

**REQUEST FOR MASTER OF ENGINEERING DEGREE.** The Board Office recommended the Board refer the request from Iowa State University to establish an interdepartmental Master of Engineering in Systems Engineering to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The program is designed to improve the abilities of engineers both on and off campus to analyze and solve the complex problems that arise in modern engineering practice.

University officials indicated that no programs in this field of study are available in Iowa. The program builds on the existing strengths of Iowa State University. A substantial part of the course work is already in place.

It was anticipated that 20 to 40 majors would be enrolled in this program over the next five years.

ACTION: This request was referred by consent.

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

#### PROJECT DESCRIPTIONS AND BUDGETS

Iowa State Center--Soffit Restoration

April 1995 Budget \$633,000

Source of Funds: General University Funds

Revised Budget \$353,000

	<u>Project Budget</u>	
	<u>April 1995 Budget</u>	<u>Revised Budget July 1995</u>
Contracts	\$ 469,000	\$ 193,495
Design Services	99,935	110,935
Construction Administration	15,689	16,285
University Services	1,000	1,000
Miscellaneous	2,000	1,000
Project Reserve	<u>45,376</u>	<u>30,285</u>
TOTAL	<u>\$ 633,000</u>	<u>\$ 353,000</u>

University officials requested approval of a revised project budget in the amount of \$353,000. This amount was a decrease of \$280,000, reflecting savings on the construction contract which was awarded to the low bidder at approximately 50 percent below the engineering estimate.

Student Health Center

November 1994 Budget \$5,975,000

Revised Budget \$6,151,000

	<u>Project Budget</u>	
	<u>Nov. 1994 Budget</u>	<u>Revised Budget July 1995</u>
Contracts	\$ 4,227,600	\$ 4,403,600
Design Services	505,300	517,300
Construction Administration	137,450	137,450
University Services	21,000	21,000
Miscellaneous	10,000	10,000
Landscaping	80,000	80,000
Utility Extensions	0	92,500
Movable Equipment	330,000	330,000
Art Work	32,000	32,000
Building Automation	85,000	85,000
Telecommunications	20,000	20,000
Project Reserve	<u>526,650</u>	<u>422,150</u>



TOTAL	<u>\$ 5,975,000</u>	<u>\$ 6,151,000</u>
Source of Funds:		
Student Health Center Revenue Bonds	\$ 5,000,000	\$ 4,584,000
Student Health Center Reserve	975,000	1,151,000
Student Health Facility Fees	<u>                    </u>	<u>416,000</u>
TOTAL	<u>\$ 5,975,000</u>	<u>\$ 6,151,000</u>

University officials requested approval of a revised project budget in the amount of \$6,151,000, an increase of \$176,000, which reflected partial reallocation of funding from the West Campus--Construct Parking Lots project to the Student Health Center project.

The revised budget proposed for the Student Health Center reflected an increase of \$176,000, the amount by which the Student Health Center's obligation for the parking lots was reduced. The budget also included an adjustment in the amount of funding from Student Health Center Revenue Bonds to reflect the actual bond proceeds and the addition of receipts from the 1994-1995 Student Health Facility Fee.

The amounts from the Student Health Center Revenue Bonds and receipts from the 1994-1995 Student Health Facility Fee were consistent with the amounts included in the Official Statement for the bond issue.

\* \* \* \* \*

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

\* \* \* \* \*

#### ARCHITECT/ENGINEER AGREEMENTS

##### Amendments:

Gilman Hall Renovation--Phase 3 Amendment #4 \$16,000  
Wehner Pattschull and Pfiffner, Iowa City, Iowa

University officials requested approval of Amendment #4 to the agreement with Wehner Pattschull and Pfiffner for additional design services for an expanded project scope to include the addition of corridor doors and terrazzo stairs.

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Animal Science Teaching Farm--Swine Facilities--Phase I Amendment #2 \$5,000  
Shive-Hattery Engineers and Architects, West Des Moines, Iowa

University officials requested approval of Amendment #2 to the agreement with Shive-Hattery Engineers and Architects for additional labor associated with the topographic survey resulting from an increase in the project site from three to ten acres.

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

Animal Science Teaching Farm--Swine Facilities--Phase I \$1,000  
Shive-Hattery Engineers and Architects, West Des Moines, Iowa

CONSTRUCTION CONTRACTS

Armory--Roof and Curtain Wall Replacement--Phase 2 \$341,809  
Award to: Wood Roofing Company, Des Moines, Iowa  
(3 bids received)

Meats Laboratory--Refrigeration System Replacement \$599,824  
Award to: Taylor Industries, Inc., Des Moines, Iowa  
(3 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Veterinary Medicine--Remodel Large Animal Housing Facilities  
Harold Pike Construction Company, Inc., Ames, Iowa

Veterinary Medicine--Energy Conservation Remodeling--Phase 2  
ACI Mechanical Corporation, Ames, Iowa

FINAL REPORTS

Stanton Memorial Carillon Restoration \$279,654

MOTION: Regent Pellett moved that the Register of Capital Improvement Business Transactions for Iowa State University be approved. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

University officials requested approval to enter into a lease as lessee with the ISU Research Park Corporation for the university's use of 6,750 square feet of space at the ISU Research Park for the Iowa Transportation Center, at the rate of \$6,890.63 per month (\$12.25 per square foot, \$82,687.56 per year), with utilities and operating expenses estimated at an additional \$1,125 per month, for a total rent of \$8,015.63 per month (\$14.25 per square foot, \$96,187.56 per year), for a five-year period.

MOTION: Regent Pellett moved to approve leases, as presented. Regent Kennedy seconded the

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

motion, and upon the roll being called, the following voted:

AYE: Collins, Dorr, Johnson-Matthews, Kennedy, Newlin, Pellett, Pomerantz, Smith, Tyrrell.

NAY: None.

ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

**LIED FOUNDATION HIXSON OPPORTUNITY AWARDS AGREEMENT.** The Board Office recommended the Board approve and ratify the agreements between Iowa State University and the Lied Foundation Trust naming the Iowa State University Recreation/Athletic Facility the "Ernst F. Lied Recreation/Athletic Center" and establishing the Lied Scholarship Fund.

In March the Board formally approved the naming of the Iowa State University Recreation/Athletic Facility the "Ernst F. Lied Recreation Athletic Center" and was informed about the commitment of the Lied Foundation to \$5 million to fund the Christina Hixson Opportunity Awards.

The Lied Foundation requested that the Board formally ratify and approve the agreements, as presented. The proposed agreements were reviewed by counsel at the university and by the Attorney General's Office. The agreements reflected the terms and conditions announced in March when the naming of the facility was announced.

MOTION: Regent Johnson-Matthews moved to approve and ratify the agreements between Iowa State University and the Lied Foundation Trust naming the Iowa State University Recreation/Athletic Facility the "Ernst F. Lied Recreation/Athletic Center" and establishing the Lied Scholarship Fund. Regent Smith seconded the motion.  
MOTION CARRIED UNANIMOUSLY.

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

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday, July 19, 1995.

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

Register of Personnel Changes for May and June 1995.

Provided for the Board's information was the appointment of JAMES LUBKER, Associate Dean of Arts and Sciences at the University of Vermont, as Dean of the College of Humanities and Fine Arts, effective August 25, 1995, at an annual salary of \$100,000.

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

**POST-AUDIT REVIEW OF MASTER OF ARTS MAJOR IN LEISURE SERVICES-YOUTH/HUMAN SERVICE AGENCY ADMINISTRATION.** The Board Office recommended the Board refer the post-audit review to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

University of Northern Iowa officials presented a post-audit review of the Master of Arts Major in Leisure Services-Youth/Human Service Agency Administration five years after initial approval by the Board of Regents as required by Regent policy (Section 6.07 Procedural Guide).

A preliminary assessment of the review report indicated that the program has met all of the objectives set for the program at the time of its initial approval by the Board of Regents. Enrollments in the program appeared to be consistent with those projected at the time of the program's initial approval. Graduates of the program have been finding

appropriate employment in the field. Expenditures for the program appeared to be consistent with those estimated at the time that the program was approved.

**ACTION:** This matter was referred by consent.

**POST-AUDIT REVIEW OF THE MASTER IN PUBLIC POLICY DEGREE PROGRAM.**

The Board Office recommended the Board refer the post-audit review of the Master of Public Policy Degree Program to the Interinstitutional Committee and the Board Office for review and recommendation,

University of Northern Iowa officials prepared a post-audit report on the Master of Public Policy Degree Program five years after its initial approval by the Board of Regents as required by Regent policy (Section 6.07 Procedural Guide).

A preliminary assessment of the post-audit report indicated that the program has met all of the objectives set for the program at the time that it was originally approved by the Board of Regents. Enrollments in the program appeared to be consistent with those projected for the program at the time of the programs initial approval. Graduates of the program have been finding appropriate employment in the field. Expenditures for the program appear to be consistent with those projected at the time that the program received initial approval.

**ACTION:** This matter was referred by consent.

**ESTABLISHMENT OF A CENTER FOR ENERGY AND ENVIRONMENTAL EDUCATION.** The Board Office recommended the Board refer the university's request to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

University of Northern Iowa officials requested approval to establish a programmatic Center for Energy and Environmental Education (CEEE) to be housed in a building with the same name. The facility (CEE) was funded by a \$4 Million U. S. Department of Energy grant and opened in Fall 1994.

University officials now wish to formally establish a programmatic center to more efficiently organize these initiatives and externally-funded projects.

The primary mission of the center will be to support development of curriculum and training in both energy education and environmental education. The programmatic work of the center will be characterized by a collaborative model that directly involves teachers in all stages of the curriculum process.

Funding to establish the center was committed by the university through reallocation. The FY 96 budget of \$154,523 will provide for the salary and fringe benefits of a director for the center, a secretary, and supplies and services. This amount included the \$6,600 reallocated as a result of the termination of the Institute for Environmental Education.

ACTION: This matter was referred by consent.

**ELIMINATION OF THE INSTITUTE FOR ENVIRONMENTAL EDUCATION.** The Board Office recommended the Board refer the university's request to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

University of Northern Iowa officials requested approval to eliminate the Institute for Environmental Education (IEE). The IEE was proposed to be replaced by the establishment of the Center for Energy and Environmental Education (CEEE). The activities and mission of the IEE will be merged with the proposed CEEE to avoid unnecessary duplication.

The IEE has provided environmental education and curriculum development at the University of Northern Iowa. The \$6,600 budget of IEE will be incorporated into the CEEE budget.

ACTION: This matter was referred by consent.

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



PROJECT DESCRIPTIONS AND BUDGETS

UNI-Dome South Entrance

Original Budget \$338,500  
Amended Budget \$338,500

Project Budget

	Original Budget <u>March 1995</u>	Amended Budget <u>June 1995</u>
Contracts/Purchase Orders	\$ 280,000	\$ 280,000
Consultant/Design Services	45,000	45,000
Contingencies	<u>13,500</u>	<u>13,500</u>
TOTAL	<u>\$ 338,500</u>	<u>\$ 338,500</u>
Source of Funds:		
Building Repairs	\$ 338,500	\$ 260,000
Academic Building Revenue Bonds		40,000
UNI-Dome Surplus Funds	<u>                    </u>	<u>38,500</u>
TOTAL	<u>\$ 338,500</u>	<u>\$ 338,500</u>

University officials requested approval of an amended project budget which reflected the addition of Academic Building Revenue Bonds and UNI-Dome Surplus Funds to fund the project.

\* \* \* \* \*

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

\* \* \* \* \*

CONSTRUCTION CONTRACTS

<u>Campanile Plaza</u>	<u>\$242,300.00</u>
Award to: Story Construction Company, Ames, Iowa (3 bids received)	
<u>UNI-Dome South Entrance</u>	<u>\$285,107.15</u>

Award to: Whitney Builders, Cedar Falls, Iowa  
(2 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Institutional Roads 1994--Jennings Drive \$360,267.39  
Cunningham Construction Company, Inc., Cedar Falls, Iowa

Library Addition--Tables and Carrels \$393,863.75  
Saxton, Inc., Design Group, Cedar Rapids, Iowa

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

**PROPOSED PROPERTY PURCHASE - 1721 WEST 27TH STREET.** The Board Office recommended the Board authorize the University of Northern Iowa, subject to approval of the Executive Council of Iowa, to purchase property located at 1721 West 27th Street, Cedar Falls, Iowa.

The property consists of a 100 feet by 214 feet lot with a ranch-style home. The property is located south of the UNI-Dome and north of the former Rocky Rococo Pizza restaurant, within the northwest corner of the intersection of Hudson Road and 27th Street.

The property would be purchased for future development by the university. The purchase price for the property, based on two appraisals, was established at \$86,000, which was within Board policy.

Funds for the purchase were available from Treasurer's Temporary Investments. The property was within the university's campus master plan.

The property purchase was reviewed by the Attorney General's Office and was recommended for approval. Approval of the Executive Council was required for the property purchase.

MOTION: Regent Collins moved to authorize the University of Northern Iowa, subject to approval of the Executive Council of Iowa, to purchase property located at 1721 West 27th Street, Cedar Falls, Iowa. Regent Johnson-Matthews seconded the

motion, and upon the roll being called, the following voted:

AYE: Collins, Dorr, Johnson-Matthews, Kennedy, Newlin, Pellett, Pomerantz, Smith, Tyrrell.

NAY: None.

ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

**PROPOSED PROPERTY PURCHASE - 8712 UNIVERSITY AVENUE.** The Board Office recommended the Board authorize the University of Northern Iowa, subject to approval of the Executive Council of Iowa, to purchase property located at 8712 University Avenue, Cedar Falls, Iowa.

The property consists of a 100 feet by 450 feet lot with a ranch-style home. The property is located west of the university Conference and Visitor Services offices and south of university housing.

The property would be purchased for future development by the university. The purchase price for the property, based on two appraisals, was established at \$100,750, which was within Board policy. Funds for the purchase are available from Treasurer's Temporary Investments.

The property is within the university's campus master plan.

The property purchase was reviewed by the Attorney General's Office and was recommended for approval. Approval of the Executive Council was required for the property purchase.

MOTION:

Regent Dorr moved to authorize the University of Northern Iowa, subject to approval of the Executive Council of Iowa, to purchase property located at 8712 University Avenue, Cedar Falls, Iowa. Regent Johnson-Matthews seconded the motion, and upon the roll being called, the following voted:

AYE: Collins, Dorr, Johnson-Matthews, Kennedy, Newlin, Pellett, Pomerantz, Smith, Tyrrell.

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NAY: None.  
ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

Regent Newlin asked how many more properties were included in the university's master campus plan for purchase. Vice President Conner responded that there was another large property purchase which would be brought to the Board in the near future, depending on the appraisals. He noted that university officials had been working for years on some of the properties which the university had purchased in the recent past. They have been working on purchasing the 1721 West 27th Street property for 6 years.

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

IOWA SCHOOL FOR THE DEAF

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

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

Register of Personnel Changes for May and June 1995.

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

**REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.** The Board Office reported there were no transactions on the Iowa School for the Deaf capital register this month.

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

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Wednesday, July 19, 1995.

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

Register of Personnel Changes for the period of May 21 to June 17, 1995.

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

**STRATEGIC PLAN, 1994-96.**

Superintendent Thurman requested the Board postpone discussion of this matter until September.

ACTION: President Pomerantz stated the Board postponed review of the IBSSS Strategic Plan to September, by general consent.

**APPOINTMENT OF DIRECTOR OF EDUCATION.** The Board Office recommended that the Board approve the appointment of MICHAEL HOOLEY as Director of Education effective July 21, 1995, at an annual salary of \$55,000.

Mr. Hooley has served as Principal in the Amana Community School District since 1987. He has also served as Senior Educator for the Division of Developmental Disabilities at the University Hospital School, University of Iowa. He has been an educational consultant as well as a teacher of students with mental disabilities.

Superintendent Thurman stated he was pleased that Mr. Hooley had accepted the position with the Iowa Braille and Sight Saving School, noting that he would provide fine leadership.

MOTION: Regent Pellett moved to approve the appointment of MICHAEL HOOLEY as Director of Education effective July 21, 1995, at an annual salary of \$55,000. Regent Newlin seconded the motion.  
MOTION CARRIED UNANIMOUSLY.

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

President Pomerantz 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.

Regent Johnson-Matthews stated that this was her last meeting as a member of the Iowa Board of Regents, as she was moving to Montana in 1-1/2 weeks. She said it had been a pleasure working with everyone. It had been a good 4 years. She was thankful for the wonderful experience.

**EXECUTIVE SESSION.** President Pomerantz requested the Board convene in closed session pursuant to Code of Iowa section 21.5(1)(i) upon the request of an employee whose performance was being considered.

MOTION: Regent Tyrrell moved to enter into closed session. Regent Kennedy seconded the motion, and upon the roll being called, the following voted:  
AYE: Collins, Dorr, Johnson-Matthews, Kennedy, Newlin, Pellett, Pomerantz, Smith, Tyrrell.  
NAY: None.  
ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 4:42 p.m. on Wednesday, July 19, 1995, and adjourned therefrom at 6:00 p.m. on that same date.

GENERAL  
July 19, 1995

**ADJOURNMENT.**

The meeting of the State Board of Regents adjourned at 6:00 p.m., on Wednesday, July 19, 1995.

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R. Wayne Richey  
Executive Director