

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday and Thursday, May 21 and 22, 1997.

President Newlin introduced the newest members of the Board of Regents:
Lisa Ahrens, David Fisher and Clarkson Kelly, Jr.

President Newlin congratulated John Balk, Assistant Superintendent, Iowa School for the Deaf, on receiving his doctorate from the University of Nebraska.

APPROVAL OF MINUTES OF BOARD MEETING OF APRIL 15-16, 1997. The Board Office recommended the Board approve the minutes.

President Newlin asked for additions or corrections to the minutes.

ACTION: President Newlin stated the minutes of the April 15-16, 1997, meeting were approved, as written, by general consent.

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

Approve the request to change the name of the Industrial Relations and Human Resources major to the major in Management at the University of Iowa;

Approve the Board meetings schedule;

Approve the University of Northern Iowa's proposed calendar holidays for 1999;

Refer the post-audit report for the major in advertising at Iowa State University to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation;

Refer the request for a new Master of Science major named Agronomy at Iowa State University to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation;

Refer the request to discontinue the Master of Engineering in Industrial Engineering at Iowa State University to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation;

Refer the proposed request to change the name of the Ph.D. degree in Speech Pathology and Audiology to the Ph.D. degree in Speech and Hearing Science at the University of Iowa to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the request to establish a Ph.D. in Social Work at the University of Iowa to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation;

Refer the proposed course changes at the University of Iowa to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation; and

Approve the proposed academic calendars for 1997-98, 1998-99, 1999-2000, 2000-01, and 2001-02 for the University of Iowa.

Regent Pellett asked if the holidays of all of the Regent universities now coincided with each other. Director Stadlman responded affirmatively.

ACTION: President Newlin stated the Board approved the consent docket, as presented, by general consent.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION - REQUEST TO CHANGE THE NAME OF THE INDUSTRIAL RELATIONS AND HUMAN RESOURCES MAJOR TO THE MANAGEMENT MAJOR, UNIVERSITY OF IOWA. The Board Office recommended the Board approve the request to change the name of the Industrial Relations and Human Resources major to the major in Management at the University of Iowa.

Officials of the University of Iowa Department of Management and Organizations in the College of Business Administration requested approval to change the name of the major in Industrial Relations and Human Resources to the major in Management.

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

The proposed name change will more accurately describe the focus of the major which is on topics such as work force management, leadership, continuous quality improvement, international management, and diversity.

The change will signal to potential students and to on-campus recruiters that students in this major are receiving broad training in general management skills.

There are no substantial financial or academic implications as a result of this proposed change.

ACTION: This matter was approved by consent.

REPORT ON IOWA COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION MAY MEETING. The Board Office recommended the Board receive the report on the May meeting of the Iowa Coordinating Council for Post-High School Education.

The Iowa Coordinating Council for Post High School Education (ICCPHSE) met on May 7 at Hamilton College in Cedar Rapids.

The council approved the following programs:

- Teachers in Catholic Schools Program -- Clarke College (off-campus Cedar Falls/Waterloo)
- Ag Chemical Application -- Ellsworth Community College (on-campus)
- Doctorate of Business Administration -- St. Ambrose University (on-campus)
- Bachelor of Science Degree Program in Environmental Sciences -- University of Iowa (on-campus - this was previously approved by the Board contingent upon approval by the ICCPHSE)

The council had a brief discussion about two new Iowa institutions, Mellen University and Vatterott College. Both schools have been invited to make a presentation to the ICCPHSE at a future meeting.

The "draft" Strategic Plan for the Enterprise of Higher Education in Iowa developed by the ICCPHSE Committee on Strategic Planning with the understanding that it is a plan-in-

progress that will be subject to future refinements was approved. The council asked that the Committee on Strategic Planning undertake some additional work to develop a section on "costs" and a new strategic initiative on "social-economic impact" of higher education in Iowa.

The strategic planning document approved by the ICCPHSE was a delicately crafted instrument that took into consideration the sensitivities of the various institutions and sectors of postsecondary education in the state. It was clear by the long discussion that preceded the council's action there are many issues that separate the various sectors yet these proprietary interests were often set aside to allow a set of commonly agreed upon planning elements, for the good of the whole state, to be developed.

The council approved the nominations for officers for next year as proposed by a nomination committee. The officers for next year (terms begin September 1, 1997) are:

For Chair---James Ross, President of Mount St. Clare College;

For Vice Chair--Paul Tambrino, President of Marshalltown Community College;

Immediate Past Chair (and current Chair)---Robert Koob, President of the University of Northern Iowa.

Others who serve on the ICCPHSE Executive Committee include: John Hartung, President of the Iowa Association of Independent Colleges and Universities and ICCPHSE Treasurer; Charles Ullom, Iowa Department of Education and ICCPHSE Minutes Secretary; John Huston, President of Hamilton College; and Robert Barak, Board of Regents staff and Permanent Secretary of the Council.

Regent Pellett stated that the council had an interesting discussion on distance learning. The council will discuss distance learning in depth in a couple of months. She stressed the importance of the Board of Regents taking up the matter of distance learning.

President Koob stated that Director Barak did a very good job of describing the deliberations of the council regarding distance learning. He said there is a delicate balance between the three sectors in finding a common position that all sectors could endorse. The adoption of the draft strategic plan for distance learning document was a tribute to the council's strategic planning committee which was chaired by Dave Buettner, President of the North Iowa Area Community College.

ACTION: President Newlin stated the Board received the report on the May meeting of the Iowa Coordinating

Council for Post-High School Education, by general consent.

FACULTY WORKLOAD REPORT. The Board Office recommended the Board (1) receive the annual governance report and (2) give preliminary approval to the proposed common faculty portfolio database information system that the universities developed at the Board's request.

In February the Board requested a progress report on several specific initiatives that it had instructed the universities to pursue. As directed, this progress report was included as part of the governance report on faculty workload.

I: Information from the Annual Governance Report on Faculty Workload

Table I provides a summary of degrees earned by level and college at each institution. Table II provides an overview of instructional productivity, as measured by student credit hours generated, according to tenure status by college within each institution for the Fall 1996 and Fall 1995 semesters.

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Table III
Percentage of Student Credit Hours Generated by
Faculty and Graduate Assistants (1986-1996)

		Tenured and Probationary Faculty	Non-tenure Track Faculty	Graduate Teaching Assistants	Other*
SUI	1986	42%	21%	37%	#
	1991	46%	13%	41%	#
	1993	64%	15%	21%	#
	1995	61%	18%	20%	#
	1996	62%	18%	20%	#
ISU	1987	59%	24%	17%	#
	1991	65%	16%	19%	#
	1993	63%	17%	16%	5%
	1995	63%	20%	13%	4%
	1996	64%	21%	12%	3%
UNI	1986	65%	34%	#	1%
	1991	76%	23%	#	1%
	1993	75%	24%	#	1%
	1995	76%	22%	#	1%
	1996	76%	22%	#	2%

*ISU - Incomplete data records or taught by staff without faculty rank.

UNI - Taught by individuals outside the regular faculty appointments, such as military science.

In 1993 SUI changed its reporting methodology and changed the instructional format used by one of its colleges.

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Table VI:
Allocation of Faculty Effort/
Faculty Activity Analysis, 1995-96
for Tenured & Tenure-Track Professors

	Professor			Associate Professor			Assistant Professor		
	ISU	SUI	UNI	ISU	SUI	UNI	ISU	SUI	UNI
Teaching Activities	43.4%	53.1%	58.4%	46.7%	56.0%	63.9%	43.5%	58.0%	68.3%
Non-Sponsored Research	24.8%	19.2%	11.9%	24.8%	18.7%	11.0%	29.0%	22.9%	14.7%
Sponsored Research	10.7%	11.1%	5.1%	7.7%	13.8%	4.7%	7.2%	12.7%	2.6%
Other Sponsored Activities	1.4%	1.3%	0.0%	1.0%	0.7%	0.0%	0.7%	1.1%	0.0%
Administrative Activities	8.4%	13.8%	15.9%	5.9%	9.2%	10.9%	2.8%	3.6%	4.8%
Other Univ, Public, & Prof Service	11.2%	1.5%	8.7%	13.9%	1.6%	9.5%	16.8%	1.7%	9.5%

Table VII
Average Hours Worked Per Week by
Regent University Faculty, 1984-1997

	1984-85	1986-87	1988-89	1990-91	1992-93	1994-95*	1996-97
SUI	56.7	57.4	58.1	57.8	58.1	58.3	59.2
ISU	54.9	55.4	56.7	56.7	58.8	56.3	**
UNI	57.0	56.4	59.4	56.2	59.3	58.1	55.0

*SUI data are for 1995-96 academic year.

**No survey conducted at ISU in 1996-97

II. Progress Report on Faculty Workload Initiatives Adopted by the Board of Regents in February 1997

(a) Common Faculty Portfolio Database Information System

In February the Board instructed the universities "to develop a common portfolio database information system" both for the institutional management of faculty workloads and for the Board's oversight of workload issues.

The three universities have held several extended meetings to design the basic structure and common data elements of a computerized information system.

The institutional representatives involved in these meetings reached preliminary agreement on a set of common data elements that each university would be able to report. These proposed elements are as follows.

Area of Faculty Responsibility:	Proposed Common Data Elements to be Included in Faculty Portfolio Database Information System
Teaching/Learning	undergraduate student credit hours generated by faculty and by graduate assistants graduate student credit hours generated by faculty and by graduate assistants ratio of student credit hours generated per instructional full-time equivalent total classroom contact hours per week total student contact hours per week
Research/Scholarship/Artistic Activity	faculty who are receiving externally sponsored funding funds received from extramural sources faculty who have produced a major work of scholarship accepted by one's department within a set time frame
Outreach/Extension/Professional Service	indicator of faculty service activity to the university indicator of faculty service activity to their profession indicator of faculty service activity to the state of Iowa indicator of faculty service activity of national/international significance

(b) Management Mechanisms, Benchmarks, and Progress Indicators

In February the Board instructed the universities “to implement management mechanisms to ensure effective oversight and monitoring of faculty workload activities at the departmental, collegiate, and institutional levels.”

The Board further instructed each college and department to define an appropriate combination of faculty effort in teaching, research, and service and to develop “benchmarks and clear indicators of progress” for measuring such faculty workloads.

The Board itself defined one such benchmark: the proportion of student credit hours generated by faculty and graduate teaching assistants in each college and department as a whole.

The universities are in the process of developing their own additional benchmarks and indicators of progress. A few departments and colleges at each institution have already made some preliminary determinations; most others should reach closure on these performance measures in the coming year. Although the Board had originally requested that benchmarks be presented for review and approval this month, the challenge of the assignment will require additional time.

The common faculty portfolio database information system discussed above will provide a series of additional measures that may serve as indicators of progress. As noted, the universities have reached preliminary agreement on nearly a dozen measures of faculty performance in the areas of teaching/learning, research/scholarship/artistic activity, and outreach/extension/professional service.

Strategic plans at each university have, or soon will have, measurable, quantifiable targets for institutional performance. Achieving those targets will provide further demonstrable evidence of the effective deployment of faculty resources.

Each university employs a variety of management mechanisms to implement its faculty workload policies. These operate primarily at the departmental level, but with review and oversight authority that extends to college deans and the provost. The departmental executive officer (DEO), as the immediate supervisor of most faculty activity, plays a critical role in the oversight and monitoring of faculty performance.

These management mechanisms and personnel policies have been developed over many years and are embodied in institutional handbooks and procedural guides.

(c) Faculty Workload Policies Based on the Board's February Principles

In February the Board instructed the universities to "fully develop, articulate, and implement their institutional faculty workload policies" based on seven principles adopted by the Board in that same resolution.

The chart on page 872 provides a synopsis of each university's reported progress in meeting these Board requirements.

(d) Comparative Data from Peer Institutions

In February the Board asked the institutions to gather annual information, where available, about collegiate and departmental faculty workloads at their established group of peer institutions.

University of Iowa officials previously reported institutional comparison data in its annual reports on faculty workload. Specific data at the collegiate and departmental levels from the university's established group of peer institutions has not been available.

Iowa State University officials previously used data from the Association of American Universities Data Exchange in making peer group comparisons.

Both the University of Iowa and Iowa State University are taking advantage of a new interinstitutional study comparing faculty course loads sponsored by the Joint Commission on Accountability Reporting (JCAR) that is being coordinated by the University of Delaware. This *National Study of Instructional Costs and Productivity* provides more detailed breakdowns of instructional workload data that may permit more effective comparisons among comparable institutions.

Not all of the University of Iowa's and Iowa State University's Regent-approved peer group institutions are currently participating in the new JCAR study. The University of Iowa and Iowa State University have therefore separately identified a different set of Carnegie Research I institutions from the JCAR study to use as their peer groups.

The University of Northern Iowa has been able to obtain workload information at the collegiate level from most of its peer institutions for fall 1995. More recent information was not available, and departmental workload information was not reported.

(e) Efforts to Raise the Quality of Undergraduate Teaching

In February the Board instructed the universities “to continue to monitor and enhance efforts to raise the quality of undergraduate teaching.”

All three universities are committed to excellence in undergraduate education, and superior teaching is one important component of that process.

Each university has established a number of programs to nurture and recognize enhancements in teaching quality.

Among the many initiatives at Iowa State University are:

- the establishment a Center for Teaching Excellence in 1993 to provide informational resources, support, and community to enhance teaching skills and innovations;
- eight annual university awards to recognize exceptional effectiveness in teaching at various levels, supplemented by collegiate and departmental honors in many disciplines;
- Miller Faculty Fellowships to support teaching improvements, with \$250,000 awarded to 28 faculty for 1997-98;
- Wakonse Fellows, named by the Center for Teaching Excellence, who demonstrate both excellence and inspiration to other faculty in their teaching pursuits;
- the College Teaching Seminar, a modular program of 90-minute seminars directed toward graduate teaching assistants.

Among the University of Iowa’s recent initiatives to strengthen teaching are:

- the establishment of the Center for Teaching in 1995-96;
- a new “Technology in the Learning Environment” program that will provide summer workshop training for faculty in the use of technology tools for instruction;
- institutional and collegiate awards to recognize outstanding teaching;
- the creation of a Task Force on the Enhancement of the First-Year Experience in the College of Liberal Arts.

The University of Northern Iowa has focused its efforts to enhance the quality of teaching on initiatives such as:

- the Center for the Enhancement of Teaching, which provides an intellectual nexus for faculty in all disciplines to continue their professional development as teachers;
- the use of senior faculty in undergraduate teaching (currently 94% of senior faculty teach at that level);
- international experiences, internships, student research, and other learning opportunities that transcend the traditional classroom teaching approach to provide individualized and enriched instruction.

The information provided by the universities in their progress reports on faculty workload initiatives provide ample evidence that they are making concerted and noteworthy efforts to meet the Board's concerns for instructional workload, human resource management, and educational excellence.

Provost Kozak discussed the report of Iowa State University, noting the difference in its mission from the other two Regent universities.

Regent Lande referred to Table II which showed the proportion of student credit hours generated by faculty and graduate assistants. He asked what would be the result of having a reporting mechanism for tenured faculty and for tenure track faculty.

Provost Kozak responded that such information could be gathered although the trend could be inferred from the table which showed percentage of time devoted to teaching among the three faculty ranks. He said the proportion of student credit hours generated by tenured faculty would be about one-third. University officials could easily break out the numbers and provide them to the Board members.

Regent Arenson asked if Iowa State University is using the faculty portfolio approach and, if so, what role the departments are playing in setting expectations. Provost Kozak responded that the colleges are moving aggressively toward portfolios for faculty workload. Some of the colleges are quite far along in that effort. He said the portfolio approach is being managed at the departmental level.

Regent Pellett asked for the faculty response to the portfolio concept. Provost Kozak stated that one of the pieces of this whole discussion is the review of promotion and tenure criteria. A faculty senate committee submitted a first draft of such a proposal for faculty responsibilities. Discussion is taking place regarding more individualized descriptions of faculty activities. The Faculty Senate began looking at the issue as a

result of the Pappas recommendation. He said the two streams of discussion became confluent at that point and had moved forward over the last 15 months.

Regent Arenson referred to the table of Board principles and corresponding university responses. Iowa State University's response was that most departments have strategic plans to guide decision-making and to form a basis for work assignments. He asked if that is an ongoing kind of moving target.

Provost Kozak described the strategic planning process at Iowa State University. He said a university-wide committee met for a year and produced an overall strategic plan for the institution. The colleges then began their discussion processes. The college strategic plans were brought to completion. The departments then began development of departmental strategic plans which are much more specific. It is in those departmental strategic plans where the detail and the discrimination between and among disciplines comes into play. His sense was that the dominant fraction (90 percent) of departments at Iowa State University have completed that process. There are plans for the rest to be completed.

Regent Arenson asked when benchmarks and indicators would be developed for the departments. Provost Kozak responded that as the discussion becomes more refined, the benchmarks and indicators will become much more specific. He said departments are encouraged to put additional constraints and benchmarks on their operating philosophy.

Regent Arenson complimented Iowa State University for its initiatives to raise the quality of undergraduate teaching.

Provost Kozak stated that one item that did not come out in the data presented for the report on faculty workload was that the percentage of senior faculty involved in teaching undergraduates had increased significantly at Iowa State University.

President Newlin congratulated the provosts on development of common data elements to be included in the faculty portfolio database information system.

President Newlin asked about the status of implementation of the faculty portfolio system at Iowa State University and when it would be fully implemented.

Provost Kozak responded that a conservative estimate of full implementation of the faculty portfolio system at Iowa State University would be within the next academic year. He said the Faculty Senate will receive a revised report from the committee dealing with promotion and tenure. The Faculty Senate is expected to take action some time this fall.

President Newlin asked how many colleges had already implemented a portfolio system. Provost Kozak responded that the Colleges of Engineering, Agriculture, Liberal Arts, and Education were fully implemented. Other colleges, particularly business and family and consumer sciences, were near to full implementation.

Provost Kozak referred to the common data elements to be included in the faculty portfolio database information system, and cautioned that the data only speak to certain kinds of performance issues. There are many qualitative data that the numbers do not speak to.

Provost Whitmore stated that Provost Kozak covered the material in the general report very well. He proceeded to discuss the faculty workload report for the University of Iowa. He referred to Table III which clearly showed that significant progress had been made in the number of credit hours taught by tenure and tenure track faculty. One-third of the University of Iowa's students are graduate students. He referred to Table VII concerning average hours worked per week by Regent faculty, and noted that the University of Iowa's faculty showed the highest level of faculty workload productivity of the three Regent universities. He said \$1/2 million/year is invested by the university for the continuous improvement of faculty's ability to use technology in teaching. Ninety-eight (98) faculty members this summer will receive intensive training to learn the use of new technologies for the classroom.

Provost Whitmore referred to an earlier question by Regent Pellett regarding faculty support for the portfolio approach. He said the Faculty Senate voted unanimously to support the portfolio approach. With regard to President Newlin's question about full implementation of the faculty portfolio approach, he said that in the larger colleges it would take a full academic year to get the system implemented. By this time next year the system will be fully implemented.

Regent Fisher stated that the freshman class of the Board of Regents had an opportunity to partake in the Learning Center for Technology. He said it is outstanding, and encouraged university officials to continue on that path. He said the next issue will be funding for the classrooms to accommodate the technology.

Provost Whitmore said those issues would be ongoing. The infusion of \$1/2 million will go a long way toward meeting technology goals.

Regent Pellett asked whether the program Regent Fisher had just spoken of was available to teaching assistants in addition to full professors. Provost Whitmore responded affirmatively. He said the Learning Center for Technology is for anyone who teaches. The majority who use the program will be the resident tenured faculty. He

noted that the teaching center offers all kinds of teaching assistance in addition to technology.

Regent Arenson referred to 3-b, 3-c, and 3-d of the table of Board principles and asked when University of Iowa officials anticipated having numbers. Provost Whitmore stated that the law school was quite far along in the process whereas the liberal arts college was much larger and would take longer. The goal will be at the very least to have the principles completely articulated in all of the colleges by this time next year.

Regent Arenson asked university officials to elaborate on the task force on enhancement of first year experience in the College of Liberal Arts. Provost Whitmore said there are two task forces. One group is designing a freshman experience one credit course which will be taught by regular faculty members. The course would be an introduction to issues that students will face throughout their academic careers. The other group is developing a pilot project where every freshman would take a one credit course on how to use digital technology and search for information on the Internet.

President Newlin asked the three provosts to return to the Board in December with progress reports on the faculty portfolio project.

Provost Marlin stated that in February when she last made a presentation on faculty workload she had described the portfolio system at the University of Northern Iowa which had been in place for a number of years. She said the data presented this month on faculty workload were aggregate on a collegiate and university level. The data provided evidence that the University of Northern Iowa faculty are extremely productive. Since February university officials have made progress to ensure that the portfolio system adheres to what the Board approved in February. University officials continue to strive to improve the quality of undergraduate education. She noted that the University of Northern Iowa has a two-week program to train faculty in multi-media techniques through the Center for Educational Technology.

President Newlin asked for the implementation status of the faculty portfolio system at the University of Northern Iowa. Provost Marlin responded that a faculty portfolio system has been in place for a number of years. "Faculty portfolio" is a new term for a system the university already had in place.

ACTION: President Newlin stated the Board, by general consent, (1) received the annual governance report and (2) gave preliminary approval to the proposed common faculty portfolio database information system that the universities developed at the Board's request.

FINAL RESPONSE TO PAPPAS RECOMMENDATIONS. The Board Office recommended the Board receive the final responses to the Pappas report.

The Interinstitutional Committee for Educational Coordination (ICEC) was assigned four of the recommendations (#2, parts of #4 and #5, and #6). The ICEC completed an exhaustive review of interinstitutional cooperation and recommended a major Regent faculty exchange program to further strengthen efforts at interinstitutional coordination. The ICEC has also coordinated responses to the faculty portfolio, program review, and distance learning recommendations, and proposed to combine the student outcomes and program review reports.

The University of Iowa in its responses to the Pappas recommendations that it was assigned (#3, #4, #5, #6, #7, and #20-33) has undertaken major efforts on such things as transformation of the academic core (#3), the development of faculty portfolios (#5), the reallocation of resources (#7), in addition to a number of organizational and administrative restructuring efforts (#20-33).

Iowa State University's response to the recommendations assigned to it (#3, #4, #5, #6, #7, and #34-44) included major consideration of faculty policies (#5), transformation for the academic core (#3 and #37-38, #41) reallocation of resources (#7), review of extension (#4 and #35), enhance public relations efforts (#36), and various administrative organizational matters (#34-44). A complete report on the follow-up to the recommendation on extension will be presented to the Board in July.

The University of Northern Iowa's responses to the recommendations assigned to it (#3, #4, #5, #6, #7, and #45-48) included extensive efforts to provide continuing education to Iowa's teachers (#45), enhance efforts at external relations and marketing (#46), and extensive new efforts at diversity (#47).

The only Pappas recommendations not addressed in these reports were those assigned to the Organizational Audit Oversight Committee which included recommendations #1, #8, #10, #12, #13, #14, #16, #17, and #19. In addition, the Board had previously decided that recommendations #9, #11, #15, and #18 would not require further action.

Responses to Recommendations

Recommendation 2: The ICEC has chronicled all of the various interinstitutional activities and proposed a major faculty exchange program to further encourage interinstitutional cooperation.

Recommendation 3: All three universities are addressing the transformation of the academic core although they are using different approaches. The University of Iowa approach includes the work of a Task Force on the Enhancement of the First Year Experience with a freshman seminar course and efforts to better use educational technology. Iowa State University is undergoing a major review of its academic core commensurate with its strategic planning efforts. The University of Northern Iowa is addressing the issue in large part by its "Qualities of an Educated Person" project and a related series of conferences on campus which explore major issues related to transformation of the academic core.

Recommendation 3: There are two aspects to this recommendation. First, the ICEC has undertaken considerable interinstitutional work regarding distance learning; however, the plan is still under development and is not yet ready to be presented to the Board. The second aspect relates to ISU Extension. The ISU study of Extension has been developed and the full report will be presented to the Board in July. The information available this month on this study indicates that Extension is becoming a full partner in distance for-credit education, that on-campus extension resources will be allocated on a project by project basis, that Extension programming is well connected to the ISU Strategic Plan, that Extension funding is adopting a "project approach", that citizens will have greater opportunities for involvement in Extension programming, that Extension programming will become more targeted and focused and that Extension is encouraging staff to become more inventive for better success in an increasingly competitive environment.

Recommendation 5: The recommendations for faculty workload are addressed under the docket item entitled "Faculty Workload Report", page 863 of these minutes.

Recommendation 6: The ICEC recommended that the Student Outcomes Assessment and Program Review reports be merged and each of the institutions have reviewed internal procedures and made appropriate adjustments to meet the spirit of the Pappas recommendations where needed.

Recommendation 7: Each university has implemented the reallocation process approved by the Board and these actions were reflected in the budget materials presented to the Board in the preliminary budgets.

Recommendations Specific to the University of Iowa

Recommendation 20: University officials reported on the review of the College of Liberal Arts which was recently completed and which focuses goals to leverage resources.

Recommendation 21: University officials reported that program review is regularly evaluated by the various units and changes are made to improve its effectiveness as needed.

Recommendation 23: A five year, \$600,000 project is underway and is nearly complete to provide for the redesign of student information systems.

Recommendation 24: Work is underway to develop alternatives to charge-backs for access to student database.

Recommendation 25: A number of efforts are underway to improve recruitment, retention and graduation of students including improvements to advising, improved availability of courses, and better tracking of student progress.

Recommendation 26: The role of institutional research has been reviewed and the director of that unit participates in the Enrollment Management Group at the University of Iowa.

Recommendation 27: A Human Resources Information Systems Task Force has been established and is making progress in the review and redesign of the human resources system. In late March an RFP soliciting a human resources software package was sent to vendors with responses due in May.

Recommendation 28: A revised policy for improving the performance appraisal system for Professional and Scientific employees has been implemented.

Recommendation 29: A set of recommendations to improve development support for Professional and Scientific staff has been approved and additional funds allocated for this purpose.

Recommendation 30: The organizational structure and process for government relations has been reviewed and deemed valid as currently established.

Recommendation 31: University of Iowa officials agree that the University of Iowa Hospitals and Clinics should continue to be part of the benefits plan offered at all Regent institutions.

Recommendation 32: The University of Iowa continues to build its capacity for facilities management training including the acquisition of new computer software to broaden the scope of safety training and computer skills training it offers.

Recommendation 33: The university has continued and even expanded its investment in technology training with a new initiative undertaken last year including summer programs for faculty to become more proficient in technology-based teaching. This has been a high priority for funding and \$500,000 was appropriated for FY 1998.

Recommendations Specific to Iowa State University

Recommendation 34: Many initiatives are currently underway to expand TQM strategies in student affairs while expansion of efforts in academic colleges are being reviewed.

Recommendation 35: Iowa State University has been active in a rigorous examination and restructuring of the extension system since 1990. A review of Extension and its programs will be reported to the Regents during Summer 1997.

Recommendation 36: Iowa State University has enhanced its public relations endeavors to increase its visibility in central Iowa through activities such as presidential presentations, increased attention to a speakers bureau, technology fairs, and exhibitions.

Recommendation 37: Iowa State University has actively focused greater attention on undergraduates as new strategic plans and benchmarks have been developed.

Recommendation 38: Greater attention is being given to academic advising for both traditional and non-traditional students as old programs are rejuvenated and new programs are devised to meet the growing needs of the modern undergraduate student.

Recommendation 39: Iowa State University officials are pleased with placements rates of recent graduating students. A thorough review of career services is on-going with external reviewers due on campus in late spring 1997.

Recommendation 40: Efforts to serve non-traditional students are on-going as Iowa State University seeks to meet the specialized problems experienced by these students.

Recommendation 41: "One-stop shopping" for student services is still progressing as different areas of the campus reach agreement on common elements of information data bases and opportunities to consolidate students services in a central location convenient to students progress.

Recommendation 42: Iowa State University officials continue to develop master plans to address the backlog of deferred maintenance on campus as it seeks sources both from within the institution and from outside the institution.

Recommendation 43: With the recent hiring of an Associate Vice President for Facilities Planning and Management, Iowa State University officials hope to develop strategies to review and evaluate the construction project accounting system.

Recommendation 44: Iowa State University vice presidents are working to develop new, streamlined processes that will implement solutions across the various units of the university and meet the performance indicators in the university's strategic plan.

Recommendations Specific to the University of Northern Iowa

Recommendation 45: In their attempts to develop new strategies to provide continuing education for Iowa's teachers, the University of Northern Iowa's Colleges of Education, Natural Sciences, and Social and Behavioral Sciences have focused efforts on four areas: leadership, staff development initiatives, graduate initiatives, and collaboration between field-based and campus-based education. Projects and activities include service on state committees and task forces, new staff hires with continuing education duties, teacher training workshops on uses of technology in education, specially designed graduate degree programs for teachers, and partnerships with Iowa school districts.

Recommendation 46: As part of University of Northern Iowa's effort to enhance its external relations and marketing, the position of Executive Assistant to the President has been redefined and expanded to include the collateral title of Director of External Relations, with supervisory authority for the offices of public relations and governmental relations. The community services program was moved to the College of Business Administration to increase synergy between those units. President Koob chairs a new Constituency Relations Management Group with broad university representation to address Goal 4 of the University of Northern Iowa strategic plan. Outreach "community days" were held in two locations during the year.

Recommendation 47: University of Northern Iowa officials have pursued a variety of options to enhance diversity. A proposed ethnic studies minor is awaiting faculty senate approval. The SOAR mentoring program to enhance minority student retention began last fall. University of Northern Iowa is continuing to strengthen collaborative efforts with the Waterloo school system. University of Northern Iowa officials reallocated \$200,000 to aid minority student recruitment and has instituted a variety of minority recruitment and retention efforts. University of Northern Iowa officials are

pursuing collaborative relationships and exchanges with several historically black colleges and universities.

Recommendation 48: University of Northern Iowa has been engaged in a review of administrative processes and technology. It has implemented most of the 17 steps in the presidential initiative on technology infrastructure, which has resulted in upgrades and improvements in technology services. University of Northern Iowa has created an Administrative Process Reengineering Steering Committee to redesign a number of administrative operations. The Educational and Student Services Division has initiated two process improvement projects.

Provost Kozak presented the responses of the Interinstitutional Committee on Educational Coordination to four recommendations of the Pappas report which specifically impacted on the activities of the group. He noted that the interinstitutional cooperation experienced in Iowa is better than anywhere else any of the three provosts have been before.

Regent Fisher commended the provosts on the fellowship initiative.

President Newlin expressed appreciation to the provosts for their efforts toward a more formal system for collaboration and cooperation.

Provost Kozak said he found it surprising that the Pappas review team did not acknowledge the amount of interinstitutional cooperation that had been taking place and seemed to suggest that such cooperation was not taking place. Interinstitutional cooperation was taking place long before any of the three provosts arrived in Iowa. The proposals of the ICEC are "icing on the cake".

President Coleman stated that the Pappas review took place during the time she was just moving to the University of Iowa. She said 14 of the Pappas recommendations were specific to the University of Iowa. She was very pleased with the response of everyone at the university; she felt they had addressed all of the recommendations in a very satisfactory manner.

President Newlin thanked University of Iowa officials for their energetic work in this regard.

President Jischke said the Regents were to be congratulated for the process of bringing in the Pappas consultants in order to assure the people of Iowa that good work is being done. He said the three universities are doing a splendid job in the areas that the Pappas group looked at. He hoped the media representatives would report to the

people of Iowa that the Regent institutions are being well managed and well governed and, in that sense, they are distinctive.

President Jischke stated that there was nothing in the Pappas report directed at Iowa State University that was a surprise to university officials. University officials were either already at work on an issue or were done addressing an issue. He expressed his belief that the Pappas report was quite limited; it did not capture the full range of issues facing universities. He said all of the issues are captured by the university's strategic plan. He urged the Board to focus its efforts on the strategic plans rather than follow up reports to the Pappas recommendations. The Board would be far better served by adhering to its strategic planning process.

President Newlin said he agreed with President Jischke but asked that the important parts of the Pappas recommendations and institutional responses be folded into the strategic plans.

Regent Pellett commended Iowa State University officials for how they had addressed extension demands. She said it is a very important topic to the people of Iowa. President Jischke said he is quite excited about the leadership that Dean Johnson has taken in extension.

Regent Lande stated that the Pappas report recommendations were given to the Board over a year ago. It was probably time to move away from those as a landmark for what they are doing and focus on the strategic planning process.

President Newlin thanked President Jischke for his participation in Iowa State University's response to the Pappas recommendations, and particularly for the vigorous implementation of the university's strategic plan.

President Koob reported on the four recommendations specific to the University of Northern Iowa. He said the fact that it took over 30 pages to respond to the four recommendations was an indication that the university was well on its way to addressing the issues in advance of the Pappas report.

Regent Smith expressed appreciation for the University of Northern Iowa's response to recommendation 47 relating to diversity. She expressed appreciation for what was happening on the other two campuses regarding diversity, also.

President Newlin thanked President Koob for his efforts in responding to the Pappas report. He said the Regents will move onto the strategic plan in terms of the direction for the future.

ACTION: President Newlin stated the Board received the final responses to the Pappas report, by general consent.

REPORT OF ORGANIZATIONAL AUDIT OVERSIGHT COMMITTEE. The Board Office recommended the Board receive the report.

Strategic Planning of Board and Institutions

The committee revised the recommendation by MGT that the Board plans and statements be approved every three years. The committee agreed that there should be two kinds of reporting with respect to strategic planning: (1) annual progress reports; and (2) major three-year reviews of the plans (including goals, strategies, and action steps), and the mission, vision, values, and culture statements. The annual progress reports should take place at the November Board meeting while the major review of planning should take place at a specially-scheduled retreat. The Board Office has confirmed all the Regent Institutions will be able to provide progress reports to the Board in November.

The annual progress reports will basically determine where the Board and the Institutions are with respect to progress on the approved planning parameters. It was anticipated that the annual progress reviews will result in changes in the planning parameters in only rare instances. For example, if a planning goal has been achieved earlier than anticipated or if it appears that the targets set for a particular goal are falling far short of expectations, some adjustment may be needed.

A number of the MGT recommendations include the development of various performance measures as shown in the chart below.

TABLE I
MGT PERFORMANCE MEASURE RECOMMENDATIONS

MGT Recommendations on Performance measures *	(1) Institutional Vision & Goals	(2) Efficiency & Effectiveness Measures	(3) Performance Reports	(4) Institutional Operations	(5) Board Vision/Goals	(6) Institutional Performance Goals for Next Year	(7) Institutional Head Performance Goals for Next Year
3.5	X						
4.3		X					
4.4			X				
4.8				X			
6.1					X		
6.3	X				X		
6.4			X				
6.5						X	
6.6							X

*Numbers refer to the specific recommendations by MGT in its final report.

The Oversight Committee requested additional information on consultants that might be used with respect to addressing the numerous recommendations of MGT to develop various sets of performance measures for the Board and the institutions.

It is important that the consultants be capable of advising the Board with respect to the development of performance measures that not only address the various facets of the MGT recommendations, but are also consistent with the information capabilities of the Board Office and institutional data bases and the performance-related reporting requirements for federal government and accreditation agencies.

Information on several possible consultants will be reviewed at the May meeting of the Oversight Committee. All of the potential consultants have been involved in the development of performance measures for a number of state higher education boards and are knowledgeable with the development of federal reporting requirements.

Board Office Information and Reporting

MGT recommendations for a common core of topics for new Board orientation was developed at an earlier meeting of the committee and was actually used for the orientation of the three new Regents.

The report format suggested by MGT that would group reports into "major topics" is intriguing but carries with it the problem of unusually heavy staff workloads in very short

periods of time. Such concentrated reporting may be difficult for the Institutions to meet deadlines with the most recent information. For this and other reasons the committee concluded that reporting by "major topics" would be impracticable. The committee agreed with MGT that the Board should continue receiving detailed institutional reports and a summary with recommendations in the Board meeting docket.

The creation of performance reports including technical data issues and the design of reports is critical to governance. The committee has agreed to utilize the services of a consultant to develop the governance reporting system. The work on this system would need to be carefully coordinated with the development of performance measures, the upgrading of Board Office equipment, and the development of the automated data base.

The committee concurred that \$250,000 should be provided by the institutions for the development of the Board Office data system and the purchase of equipment as recommended by MGT.

Appropriate Governance and Administrative Roles of the Board and Institutions

The committee concurred with Pappas that more frequent use of the "consent docket" was desirable and every effort will be made to use the "consent docket" whenever appropriate. Many docket items either require or need specific action of the Board and therefore cannot be included in the "consent docket".

The following issues were adopted by the committee for consideration by the Board of Regents in FY 1998.

- Strategic Planning
- Faculty Workload
- Program Review & Outcomes
- Facilities Planning and Deferred Maint.
- Distance Learning
- Faculty Tenure
- Residence Systems
- Affirmative Action
- Student Persistence and Grad Rates
- Human Resources
- Tuition Policy
- Student Aid
- Child Care
- Purchasing

Evaluation of the Performance of Board, Institutions and Institutional Heads

The committee agreed that MGT's recommendations for the development of the Board's, institutions', and Board Office's performance measures should be developed by outside consultants as noted above.

The committee adopted MGT's recommendations related to the evaluation of institutional heads except that it recommended that institutional evaluations be undertaken by the whole Board not a committee thereof. The attendance of the Executive Director at the institutional head evaluations was still under discussion.

External Communication

The committee agreed with MGT's recommendation for the Board to hold meetings in other areas of the state and to develop information for public dissemination. The Regents Information Committee consisting of the chief information officers of the three Regent universities and the Executive Director of the Board has been re-activated to assist in these areas.

Board Office Staffing

Information concerning the search for the Executive Director is under development and will be presented to the Board and the Organizational Audit Committee at the June meeting. It will include a list of potential executive search firms, a draft of a Request for Proposals to such firms, a proposed structure for the search including possibility of an advisory committee, a set of draft criteria of the desired qualities for the person in the position, and a timeline for the search process. This background information will allow the Board to begin the process.

President Newlin discussed that morning's deliberations of the Organizational Audit Oversight Committee, and presented the committee's recommendations. He said the committee recommended that the Board approve the proposed budget of approximately \$300,000 for: (1) the purpose of purchasing computer hardware and software for the Board Office per MGT's recommendation and (2) the hiring of MGT to undertake the development of a Board Office governance data base. In addition, the committee recommended \$60,000 for an information systems staff position for the Board Office. The Organizational Audit Oversight Committee also recommended the hiring of consultants to address the numerous recommendations of MGT to develop various sets of performance measures.

MOTION: Regent Arenson moved to approve the recommendations of the Organizational Audit

Oversight Committee which included 1) a proposed budget of approximately \$300,000 for the purpose of purchasing computer hardware and software for the Board Office per MGT's recommendation and for an information systems staff position for the Board Office; and 2) the hiring of consultants to address the numerous recommendations of MGT to develop various sets of performance measures and the hiring of MGT to undertake the development of a Board Office governance data base. Regent Fisher seconded the motion.

Regent Fisher asked if the funds were included in the Board's budget. President Newlin responded that the original estimate of \$250,000 for computer hardware and software for the Board Office and \$60,000 for the information systems staff position.

Regent Pellett asked why the funds were not coming out of the Board's budget. Mr. Richey stated that the funds had been requested from the Governor and the General Assembly, but had not been provided. Not only were the funds not provided, the legislature cut \$41,000 from the Board's budget for no specified reason. There was an indication that the funding could come from the institutions.

Mr. Richey stated that the governance information system is for the specific benefit of the Board and the institutions. The benefit comes to the institutions through the Board's more effective governance. He noted that institutional officials volunteered several years ago to finance the first generation of computer equipment for the Board Office. That has been indispensable to the effective function of the office.

Regent Fisher asked if institutional funding of Board Office budget needs was a common practice or was it unusual. Mr. Richey responded that it is common practice. In fact, the legislators may change the method of financing the Board's budget from time to time. He said that sometimes it will move all of the money from the institutions into the Board Office appropriation. However, there was a proposal a year ago in the subcommittee on educational appropriations to eliminate the entire Regents' appropriation and have it all funded from the institutions. The Board resisted that effort and it was not adopted by the legislature.

Regent Pellett said she believed it was bad policy to randomly assess the universities for things the Board might need. The Regents need to make their case stronger to the legislature.

Regent Arenson stated that one of the things the Regents were trying to do as a Board was govern more effectively between and among the institutions. One such effort in that regard is the collection of data in a common format. He expressed concern about the prospect of waiting another year to go back to the legislature to request a line item in the budget to address these needs. This effort would address MGT recommendations as well as Pappas recommendations.

Regent Fisher stated that he would support the motion. He noted that during his confirmation hearing the senators grilled him quite heavily on the issue of assessing the universities for funding of the Board Office. The Board needs to be sensitive to the fact that the senators do not always look favorably on that activity.

VOTE ON THE MOTION: The motion carried unanimously.

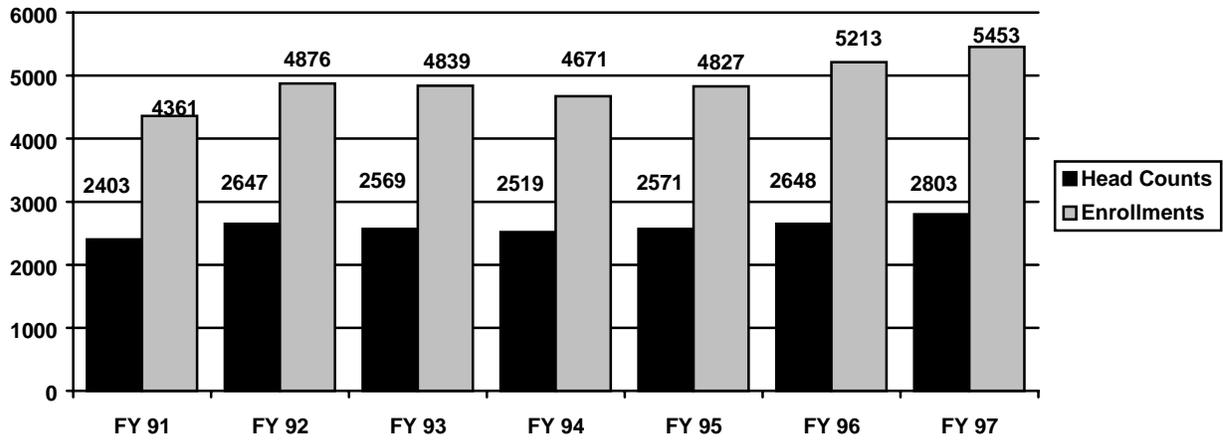
ANNUAL REPORTS ON GRADUATE STUDY CENTERS. The Board Office recommended the Board receive the annual reports of the graduate study centers.

Quad Cities Graduate Study Center

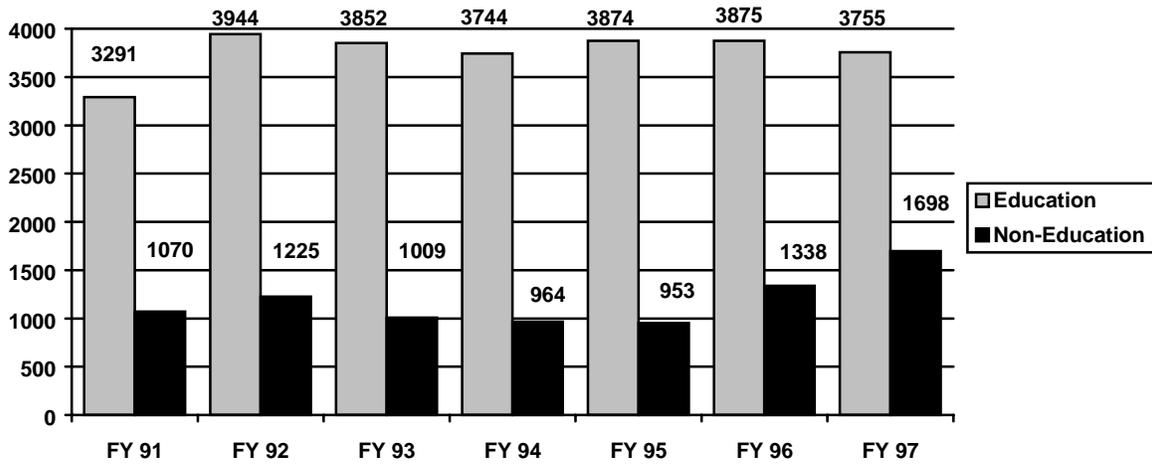
Cooperating Institutions by State

Illinois	Iowa
Augustana College (Rock Island)	Iowa State University (Ames)
Bradley University (Peoria)	St. Ambrose University (Davenport)
Illinois State University (Normal)	Marycrest International University (Davenport)
Northern Illinois University (DeKalb)	University of Iowa (Iowa City)
University of Illinois (Urbana/Chicago/Springfield)	University of Northern Iowa (Cedar Falls)
Western Illinois University (Macomb)	

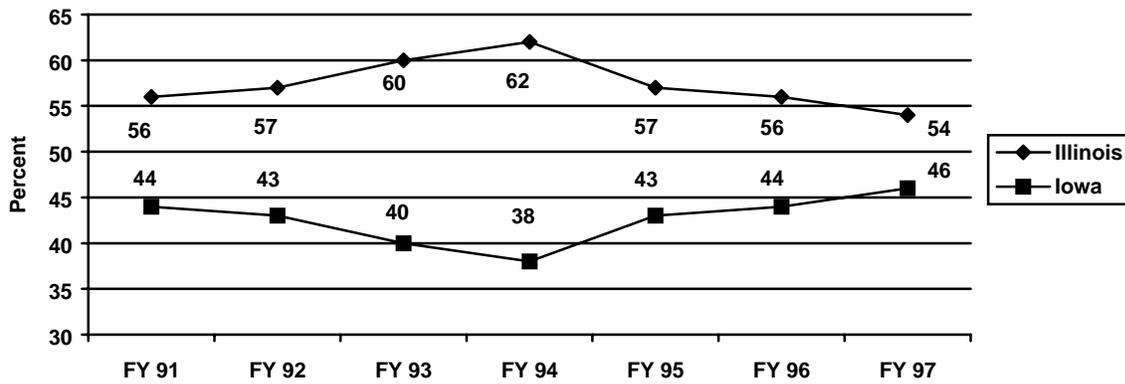
Head Counts and Enrollments



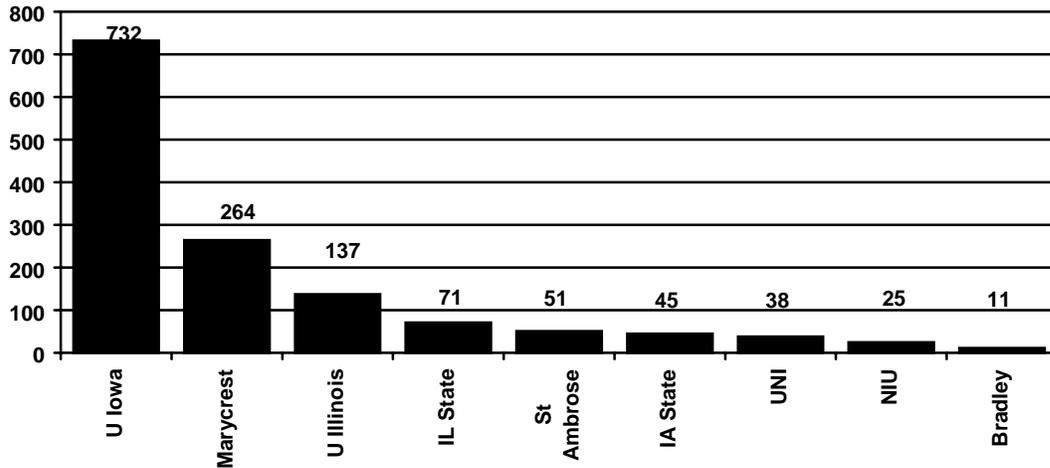
Education and Non-Education Enrollments



Percent of Enrollment by State



Enrollments by Selected Institutions: FY 97

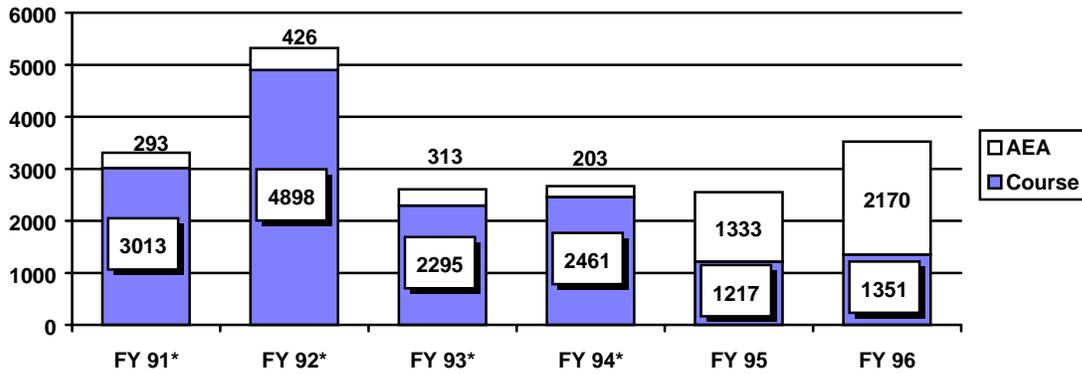


Tri-State Graduate Study Center

Cooperating Institutions by State

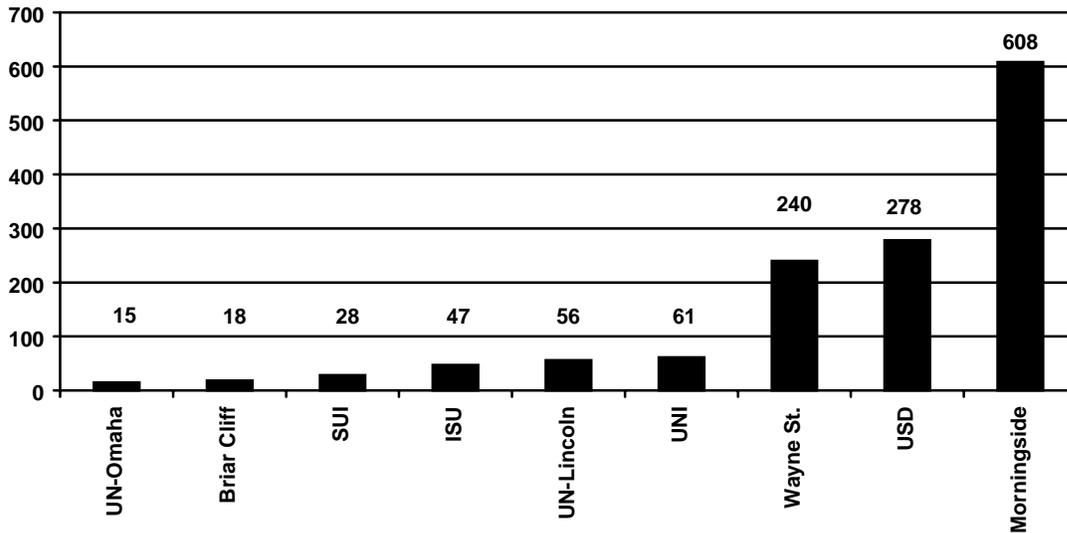
Iowa	Nebraska
Briar Cliff College (Sioux City)	Creighton University (Omaha)
Drake University (Des Moines)	University of Nebraska (Lincoln)
Iowa State University (Ames)	University of Nebraska (Omaha)
Morningside College (Sioux City)	Wayne State College (Wayne)
University of Iowa (Iowa City)	
University of Northern Iowa (Cedar Falls)	South Dakota
Western Hills Area Education Agency 12 (Sioux City)	South Dakota State University (Brookings)
Western Iowa Tech Community College (Sioux City)	University of South Dakota (Vermillion)

Enrollments



* Course enrollments include some AEA enrollments.

Enrollments by Institution FY 96

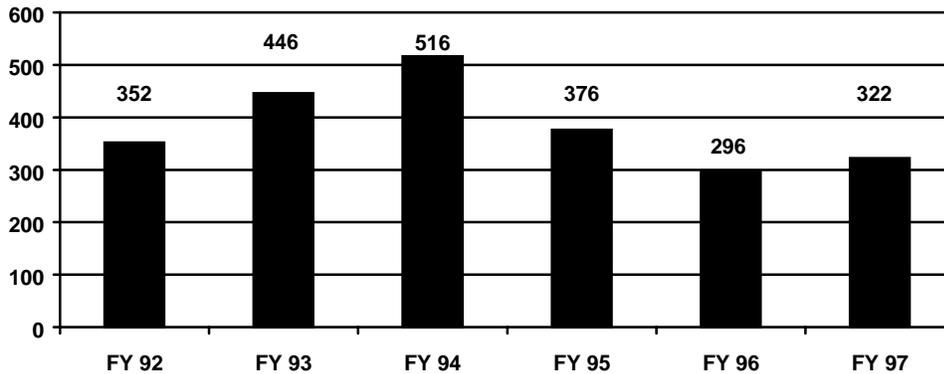


Southwest Iowa Regent Resource Center

The center was intended to be a prototype for similar centers to be established in other parts of the state.

The 322 enrollments for credit at the resource center represent a 9 percent increase in enrollments over last school year; of these, 216 were in program enrollments and 106 were in non-program enrollments. The majority of enrollments through the Resource Center are graduate enrollments.

Credit Enrollments



The Southwest Iowa Regents Resource Center is committed to performing ongoing needs assessments of southwestern Iowa so that Regent universities can provide necessary and timely educational opportunities to the area. The resource center is operated under the strategic plan for off-campus programming prepared by the State Extension and Continuing Education Council.

Dr. Charles Laws, Director of the Quad-Cities Graduate Study Center, reviewed the annual report for the center. He stressed the importance of the presence in the Quad-Cities this year of the presidents of the three Regent universities. He said there had been a very positive impact resulting from those visits. He encouraged the university presidents to continue the annual visits and to continue to bring their staff with them.

Regent Arenson noted that the overwhelming number of Quad-Cities Graduate Study Center students are from Illinois. Dr. Laws said that may be the case with enrollments but it was not the case when considering headcount. The number of Iowa students was increasing.

Regent Arenson asked how the sharing of the funding of the center was arrived at. Mr. Richey stated that initially Illinois was higher than Iowa in the support of the Quad-Cities Graduate Study Center. The funding has kind of evolved. It is not based on per student ratios.

Regent Pellett asked about fees charged to students. Dr. Laws responded that no one pays out-of-state tuition.

Regent Arenson noted that Western Illinois has 5 to 6 times the enrollments of the University of Iowa. He asked why Iowa funds nearly 50 percent of the center when the Illinois enrollments are so much higher than enrollments in Iowa institutions.

Dr. Laws responded that enrollments are predicated on the number of courses offered. He said Iowa is offering fewer courses.

President Newlin thanked Dr. Laws for his presentation and for his work at the Quad-Cities Graduate Study Center.

Dr. Robert Cox, Director of the Tri-State Graduate Study Center, reviewed the annual report for the center. He noted that Iowa enrollments are 80 percent of total enrollments while Iowa funds 60 percent of the budget.

Regent Kennedy asked how the costs were split between the participating states. Dr. Cox responded that the budget is supported 60 percent by Iowa, 31 percent by Nebraska, and the remainder by South Dakota. He said the private colleges provide no direct contributions although they do provide library support. One-half of the enrollments are in private colleges.

Mr. Richey noted that there was never a funding formula for the Tri-State Graduate Study Center. He said the center was politically established.

Regent Arenson asked if it was within the authority of the Board of Regents to establish some sort of equation between what courses are offered and enrollments. Mr. Richey responded that it would be within the authority of the Board of Regents in terms of the Board's request for the subsequent legislative session. He noted that it would require some thought.

Dr. Cox stated that 50 percent of the courses taken through the center are via distance education although that only produced 6 percent of the enrollments. He discussed the distance education capabilities of each of the three member states.

President Newlin expressed appreciation to Dr. Cox for his presentation and for the work of the Tri-State Graduate Study Center.

Jeanne Trachta, Coordinator of the Southwest Iowa Regents Resource Center, reviewed the annual report for the center. She invited the Regents to visit the Southwest Iowa Regents Resource Center which was across the hall from the room in which the Regents were meeting.

Regent Lande noted that while the center had an increase in enrollments in 1997, it was still serving fewer students than the amount served in the initial year of the center. Ms. Trachta responded that at its inception, the center was supporting graduate education from Drake University. It has also shifted from on-site to Iowa Communications Network delivery of courses.

President Newlin thanked Ms. Trachta for the report and for the work of the center.

ACTION: President Newlin stated the Board received the annual reports of the graduate study centers, by general consent.

EXECUTIVE SESSION. President Newlin requested the Board convene in closed session pursuant to the Code of Iowa section 21.5(1)(i) upon the requests of employees whose performance was being considered.

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

MOTION CARRIED UNANIMOUSLY.

The Board having voted at least two-thirds majority resolved to meet in closed session at 4:27 p.m. on Wednesday, May 21, 1997, recessed therefrom at 5:32 p.m., reconvened at 5:33 p.m., and adjourned therefrom at 6:23 p.m. on that same date.

ANNUAL REPORT ON CHILD CARE. The Board Office recommended the Board (1) receive the annual reports on child care programs at the University of Iowa, Iowa State University, and the University of Northern Iowa, and (2) receive report from the Child Care Priority Issue Study Group.

The Board received an informational presentation on child care programs at the universities at the March Board of Regents meeting. Each university has a very successful ongoing child care program which includes on-campus care as well as participation in community referral services.

Access to child care is extremely important in the recruitment and retention of students as well as faculty and staff. The universities provide this access with state funding that is a very small proportion of their overall budgets.

General fund and in-kind support for the child care programs at the universities for fiscal year 1997 and the proposed budget for fiscal year 1998 is shown below.

							Percent Increase
	General	Inkind	Total	General	Inkind	Total	
SUI	\$262,690	\$115,600	\$378,290	\$282,690	\$116,100	\$398,790	5.4%
ISU	\$176,281	\$ 94,353	\$270,634	\$181,482	\$ 94,353	\$275,835	1.9%
UNI	\$112,784	\$ 8,109	\$120,893	\$116,168	\$ 8,109	\$124,277	2.8%
TOTAL	\$551,755	\$172,709	\$769,817	\$580,340	\$173,209	\$798,902	3.8%

Fees charged by the centers are comparable to those charged in the surrounding communities. The support provided by the universities allow the centers to charge a lower rate to students than charged to employees.

Children of students occupy about 60 percent of the spaces at the University of Iowa Student Association Centers and 75 percent at the Iowa State University and University of Northern Iowa centers.

The Iowa State University center has a fee schedule for staff based on income as do some of the University of Iowa Student Association centers.

The University of Iowa provides a subsidy to graduate assistants for child care. The subsidy will reimburse graduate assistants up to \$70 per month for care of one child and up to an additional \$30 for a second child.

The first collective bargaining agreement was negotiated with the Campaign to Organize Graduate Students (COGS) this winter and will be effective July 1, 1997. The initial proposal by COGS contained substantial increases for the graduate assistant child care subsidy. This was dropped as negotiations progressed and was not included in the signed agreement.

The contributions by the universities to the centers allow for lower fees to be charged student parents.

While centers exist on each campus, child care needs are not being fully addressed as demonstrated by large waiting lists for each center. The University of Iowa Student Association Centers have approximately 253 children on their waiting lists. There are 197 children on the waiting list at Iowa State University and 120 at the University of

Northern Iowa. The UIHC Center, which accepts only children of staff, has about 150 children on the waiting list.

The universities recognize the need for additional child care facilities on the campuses. The campus centers are all at operating capacity, and expansion is not possible within the existing structures. The future plans for each of the universities address this need.

The University of Iowa will be assessing the current centers which are housed in aging family homes owned by the university to determine whether they should be renovated. The university will also be assessing the need for construction of new facilities.

The Iowa State University Community Child Care Center is housed in Pammel Court which is scheduled to be phased out by the year 2000, and the university will be developing a plan to address the need for future growth on the north side of the campus.

In addition to parent fees, federal funds and other sources, each center receives funding from the university. The University of Iowa purchases most of the slots at the UISA (University of Iowa Student Association) Child Care Centers in order to reserve them for university students and staff. Iowa State University provides direct general fund support, and the Department of Residence provides space in Pammel Court and in-kind support. At the University of Northern Iowa, the child care center is a portion of the instructional program in the College of Education.

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

Iowa State University is in the process of constructing a new center in the College of Veterinary Medicine Complex. The center will provide 84 full-time slots for children six weeks through twelve years of age. Estimated cost of the new facility is \$1.5 million. Construction is on schedule, with an anticipated completion date of July 1, 1997. The university is seeking an independent contractor for the facility through a Request for Proposals (RFP) process. Seven proposals were received. A contract will be awarded this month. The facility will be operational in August 1997.

The University of Northern Iowa Center, with the opening of the fourth classroom used for child care at the Price Laboratory School, is occupying all available space in the building. Efforts will continue to locate additional space as the university acquires buildings or space adjacent to the campus to meet child care needs.

In its future plans, the University of Iowa plans to enhance current facilities and/or build new child care facilities. The current centers are in aging former family homes on Melrose Avenue.

Each university offers a flexible benefits program to nonorganized faculty and staff. This program allows eligible employees to establish a spending account to be used for child care expenses. Employees covered under the negotiated agreement with AFSCME may elect to make a pre-tax reduction in wages to be paid to an account for allowable dependent care expenses.

A survey was conducted of other employers, both public and private in Iowa, to determine the child care services provided to employees. Among those employers surveyed, it appeared to be the norm for the employer to subsidize the on-site centers by providing space, utilities, and maintenance services. For example, the Federal Building in Des Moines provides space and related services as well as some large equipment for the Uncle Sam's Child Care Center. Both Des Moines Area Community College and Kirkwood Community College have on-site centers which are in located in space provided by the college and serve as practicum sites for their educational programs.

Although the special schools do not sponsor child care centers, both the Iowa School for the Deaf and the Iowa Braille and Sight Saving School lease space to not-for-profit child care centers. Child care services at the centers are available to the staff of the special schools as well as to the community.

Regent Fisher stated that the Priority Issue Study Group on Child Care had met the previous day and received updates on each university's child care activities. They also reviewed the budgets for both general fund and in-kind contributions.

Regent Lande asked whether the child care fee schedules were based on parent's income for children of non-students. Regent Fisher responded that the group asked for more detailed information on the fees for children of non-students. An update will be presented in July.

Regent Lande said he believed there was nothing intrinsically wrong with caring for children of non-students; however, when they are dealing with public dollars they need to be aware of the perception.

Regent Fisher said that topic was part of the study group's discussion and was partially why the members had asked for more information.

Regent Smith noted that the students' designated tuition at the University of Northern Iowa included a reduction in child care funds. She asked what impact that reduction in child care funding would have on the university.

Mr. Richey responded that the student fee committee at the University of Northern Iowa reduced its allocation to the child care budget by \$12,000. He said that may be one of areas for consideration for reallocation of the building fund for student activity fee which university officials were to bring back next month (see discussion below of Allocations of Designated Tuition for the 1997-98 Academic Year which took place prior to discussion of the Annual Report on Child Care). University officials could restore the child care funding. He said the cut in child care funding at the University of Northern Iowa was pointed out during the study group meeting.

Regent Pellett noted that only 60 percent of the children cared for in the University of Iowa's child care system were children of students. She asked if the reason might be because of the University of Iowa Hospitals and Clinics child care facility which only serves children of employees.

Vice President True said the university participates with a not-for-profit organization for the care of children of students. It is not a university child care facility. The not-for-profit child care centers care for children from the community, not just from the university. He said it was possible that the number of children of students should be a higher number, which was something that was discussed at the study group meeting. It is one of the issues that university officials would be taking a look at for further consideration at the July meeting of the study group.

ACTION: President Newlin stated the Board, by general consent, (1) received the annual reports on child care programs at the University of Iowa, Iowa State University, and the University of Northern Iowa, and (2) received report from the Child Care Priority Issue Study Group.

FINAL REPORT ON 1997 LEGISLATIVE SESSION. The Board Office recommended the Board (1) accept the final report on the 1997 legislative session; (2) express the Board's appreciation to Governor Branstad and the General Assembly; and (3) congratulate the Regents' legislative liaisons, Frank Stork, Gary Steinke and Keith Saunders, for their outstanding work.

The General Assembly completed its 1997 session on April 29, 1997.

The deadline for the Governor to sign the bills passed by the General Assembly is

May 29, 1997; it is anticipated that the Supplemental Appropriations bill (SF 542) will be acted on by the Governor by the time of this meeting and action on the Education Appropriations bill (SF 549) and the Infrastructure Appropriations bill (HF 733) will take place toward the end of the period.

The Regents FY 1998 general fund operating appropriations total \$641.5 million, including: \$608.2 million contained in SF 549 (Education Appropriations), \$7.3 million contained in HF 655 (Economic Development Appropriations), and the \$26.0 million estimated allocation of the appropriations in SF 551 (FY 1998 Salary Appropriations).

The FY 1998 Regents operating appropriations increase, including estimated salary appropriations and tuition replacement, is 5.1 percent; other FY 1998 educational operating appropriation increases are 6.0 percent for community colleges (including technology improvement program funded by Infrastructure Fund), 4.7 percent for K-12 (excluding school technology funds) and 7.8 percent for Iowa Tuition Grants.

The FY 1997 Supplemental Appropriations bill (SF 542) includes the \$2.3 million supplemental salary appropriation as recommended by Governor Branstad to fully fund FY 1997 salary policy for the Regent institutions.

The Infrastructure Appropriations bill (HF 733) includes total appropriations of \$70.4 million beginning in FY 1998 for Board of Regents projects; while funds are appropriated over a four-year period, the Board is authorized to enter into contracts for the full cost of the authorized projects beginning in FY 1998.

With the inclusion of the \$70.4 million capital appropriation for FY 1998 through FY 2001 and the \$2.3 million FY 1997 supplemental salary appropriation, the Regents direct general fund operating and capital appropriations during the session total \$714.2 million.

Of the appropriation bills listed above, HF 655 and SF 551 had been signed by the Governor.

Education Appropriations (SF 549)

The Education Appropriations legislation (SF 549) includes \$608.2 million for operations of the Regents system, which is \$696,678 less than recommended by Governor Branstad.

The primary differences from the Governor's recommendation include reductions of:

- \$399,000 construction funding for the National Advanced Driving Simulator (NADS) at the University of Iowa which will be requested in FY 1999;
- \$187,000 general university funding at Iowa State University;
- \$66,000 for costs associated with opening the new Wellness Recreation Center at the University of Northern Iowa which will be requested in FY 1999; and
- \$41,000 in the Board Office budget.

The bill includes a new appropriation of \$70,000 from Phase III Educational Excellence through the Department of Education to be distributed equally between the Iowa School for the Deaf and the Iowa Braille and Sight Saving School; Iowa School for the Deaf and Iowa Braille and Sight Saving School currently receive Phase I and II funding of \$65,463 and \$29,137, respectively.

The bill provides for the University of Iowa to work with the Department of Education to coordinate the support system for delivery of the Reading Recovery Program to school districts with funding from the interest on the Iowa Schools Fund estimated to be \$100,000.

Language in the bill requires the University of Iowa Hospitals and Clinics to work jointly with the Department of Corrections and the Association of Iowa Hospitals and Health Systems to develop and issue recommendations for localizing indigent health care services, including but not limited to health care services to inmates, the potential application of telemedicine in providing health care services to inmates, and the feasibility of establishing a corrections infirmary.

Language in the bill includes a section requiring a statement on student bills identifying the percentage of a student's education paid by State appropriations, which is a matter of concern.

Economic Development Appropriations (HF 655)

This bill provides \$7.3 million in direct state appropriations for FY 1998, which is \$100,000 above the Governor's recommendation, for the following programs:

- Advanced Drug Development and Oakdale Research Park/Innovation Center at the University of Iowa;

- the Institute for Physical Research and Technology (IPRT), Small Business Development Center, and Research Park/Iowa State Innovation System at Iowa State University; and
- the Metal Casting Center and Institute for Decision Making at the University of Northern Iowa.

The bill continues an appropriation of \$100,000 to the Iowa Department of Economic Development to fund a grant to the University of Northern Iowa for the Ag Based Industrial Lubricants Research program; the principle mission of the program is to expand the hydraulic and industrial markets for U.S. grown vegetable-based oils.

Salary Appropriations (SF 551)

This bill appropriates \$47.5 million for FY 1998 salary adjustments to fund collective bargaining agreements and salary policy for state agencies, including the Board of Regents.

The Regents portion of salary adjustment appropriations is estimated at \$26.0 million based on an estimated 10 percent increase in health insurance rates; this amount would fully fund the salary policy, which averages an increase of 4 percent.

It is anticipated that the allocation of salary funds by the Department of Management will be completed by the June Board meeting.

Infrastructure Appropriations (HF 733)

The Infrastructure Appropriations bill (HF 733) includes appropriations for FY 1998 through FY 2001 for Board of Regents projects; the Governor had recommended capital project funding to begin in FY 1999.

The bill includes additional funding of \$60,000 for the Iowa School for the Deaf and \$70,000 for the Iowa Braille and Sight Saving School above the Governor's recommendation.

The bill was passed with the understanding that funding would begin in FY 1998 instead of FY 1999 and the Board of Regents would not request capital funding until FY 2001; the bill exempts the special schools from this understanding.

The amounts appropriated by fiscal year are as follows:

FY 1998	\$19,500,000
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FY 1999	\$19,500,000
FY 2000	\$19,500,000
FY 2001	\$11,915,000

While funds are appropriated over 4 years, the Board is authorized to enter into contracts, beginning in FY 1998, for the full cost of the following authorized projects:

University of Iowa	
Medical Education and Biomedical Research Facilities	\$27,000,000
Iowa State University	
Livestock Infectious Disease Isolation Facility	9,270,000
Phase II of Engineering Teaching & Research Complex	20,900,000
University of Northern Iowa	
Lang Hall Renovation	12,900,000
Regents Lakeside Lab Improvements	140,000
Iowa School for the Deaf	
Fire Safety Deficiencies	110,000
Iowa Braille and Sight Saving School	
Deferred Maintenance	95,000
Total	<u>\$70,415,000</u>

The bill appropriates \$500,000 each in FY 1998 and FY 1999 to the Department of General Services to conduct a survey of the condition of all state-owned property.

The language in the bill includes a section authorizing the Director of General Services to establish by administrative rule, a uniform system for evaluating and rating vertical infrastructure needs in the state so the vertical infrastructure needs of each state entity and proposed vertical infrastructure projects, including the State Board of Regents, can be compared.

This provision is a matter of significant concern because of its intrusion upon Regents authority and the precedent it would establish.

FY 1997 Supplemental Appropriations (SF 542)

The FY 1997 Supplemental Appropriations bill (SF 542) includes the \$2.3 million supplemental salary appropriation to fully fund FY 1997 salary increases for the Regent institutions as agreed upon and approved by the General Assembly last year.

Included in the bill is a \$300,000 appropriation of excess lottery revenues to Iowa State University for support of Iowa's participation in the funding of the World Food Prize.

The bill provides a \$60,000 appropriation to the Department of Human Services to administer a telemedicine project.

The bill provides a \$50,000 appropriation to the Department of Education to develop an initiative to improve access to education through distance education in post-secondary institutions.

Agriculture Appropriations (HF 708)

The bill provides one-time appropriations to Iowa State University for FY 1998 to support the following programs:

- \$200,000 for conducting a study of earthen manure storage basins;
- \$400,000 from the Organic Nutrient Management Fund to support odor control applications of animal feeding operations; and
- \$50,000 from the Organic Nutrient Management Fund for Cooperative Extension Service in Agriculture and Home Economics for a program to assist counties in testing private wells and state waters for animal production pollution.

Other Legislative Bills

The Governor vetoed SF 519 relating to the authorized use and users of the Iowa Communications Network (ICN), which the Board of Regents voted unanimously to oppose at its April 1997 Board meeting; the bill would have prohibited off campus access by students and faculty to the Internet through the ICN.

The Human Services Appropriations bill (HF 715) includes the proposal of the Board of Regents that the Department of Human Services shall develop procedures to reimburse hospitals with medical assistance-approved graduate medical education programs for the direct and indirect costs at those hospitals with qualifying programs in an amount equal to managed care capitation payments attributable to direct and indirect medical education costs.

The ICN Appropriations bill (HF 730) reallocates the \$2.5 million appropriation for subsidization of interactive video services for authorized users of the ICN from the ICN to the Department of Education; the bill gives the Department of Education the authority to set rules for the reimbursement to the ICN for subsidization of video services provided to K-12 schools and community colleges.

No state funding for subsidies to Regent institutions for video services by ICN is provided.

The Justice System Appropriations bill (SF 533) encourages all state agencies, including the Board of Regents, to use Prison Industries and requires submittal of a report to the Legislative Fiscal Bureau by January 15, 1998, on usage during FY 1997.

The Regents legislative liaisons, Frank Stork, Gary Steinke and Keith Saunders, performed in an outstanding manner during the 1997 session.

Mr. Richey stated that the Board of Regents had a very successful legislative session. They owe a lot to the leadership of Governor Branstad, the leadership of the General Assembly, and the Regents legislative liaisons. He noted that the Governor had vetoed the Iowa Communications Network bill for which the Board had expressed unanimous opposition.

President Newlin introduced the Regents' legislative liaisons and expressed the Board's appreciation for their outstanding work: Frank Stork, Gary Steinke and Keith Saunders. He also thanked Pat Gadelmann and Carol Bradley for their efforts during this legislative session.

ACTION: President Newlin stated the Board, by general consent, (1) accepted the final report on the 1997 legislative session; (2) expressed the Board's appreciation to Governor Branstad and the General Assembly; and (3) congratulated the Regents' legislative liaisons, Frank Stork, Gary Steinke and Keith Saunders, for their outstanding work.

REPORT OF THE BANKING COMMITTEE. (a) General Report. The Board Office recommended the Board (1) approve the modification of institutional banking relationships; (2) accept the report of the Banking Committee; and (3) take up specific actions on bond issues and master lease financing as set forth in the following docket items.

Regent Kennedy stated that at that morning's Banking Committee meeting, the members reviewed the Regents' investment structure, adopted asset allocation targets and approved a modification of institutional banking relationships.

MOTION: Regent Kennedy moved to (1) approve the modification of institutional banking relationships and (2) accept the report of the Banking

Committee. Regent Arenson seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arenson, Fisher, Kelly, Kennedy, Lande, Newlin, Pellett, Smith.
NAY: None.
ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

(b) Resolution for the Sale of \$9,150,000 Field House Revenue Bonds, Series U.N.I. 1997. The Board Office recommended that the Board adopt the following resolutions:

(1) A Resolution providing for the sale and award of \$9,150,000 Field House Revenue Bonds, Series U.N.I. 1997, and approving and authorizing the agreement of such sale and award.

(2) A Resolution authorizing and providing for the issuance and securing the payment of \$9,150,000 Field House Revenue Bonds, Series U.N.I. 1997, for the purpose of defraying costs of replacing the air-supported roof and other improvements to the UNI-Dome Field House located on the campus of the University of Northern Iowa, funding a reserve fund and paying the costs of issuance.

The size of the bond issue, including issuance costs and the debt service reserve, is \$9,150,000; the repayment period will be 25 years.

Other sources of funds for the project include Field House Surplus Funds and insurance payments received in February 1997.

Debt service on the bond issue will be paid from Field House student building fees and Field House enterprise revenue.

The receipt and opening of bids is scheduled for noon and the award is scheduled for 3:00 p.m. on Wednesday, May 21, 1997.

Bond Specifics

Average Maturity:	15.67 years
Bonds Dated:	July 1, 1997
Interest Due:	January 1 and July 1 commencing January 1, 1998
Principal Due:	July 1, 1998 - 2022 inclusive
Optional Call:	Bonds maturing on and after July 1, 2006 are callable

Denomination: commencing July 1, 2005 and any date thereafter at par
\$5,000 and integral multiples thereof

Mr. Fick stated he had anticipated that three firms would submit bids; however, Merrill Lynch's computer failed so only two bids were received. The first bid was received from a syndicate led by Dain Bosworth. The second bid was received from a group led by Piper Jaffray. He said the two bids were very close. The best bid was submitted by Piper Jaffray with a true interest rate of 5.1581 percent. He said the most recent sale of University of Northern Iowa bonds was in March 1996. The university received a rate at that time of 5.12 percent. He recommended the Board of Regents accept the bid of Piper Jaffray.

Ms. Tillotson stated that the Board had before it two resolutions for the sale of the bonds.

Regent Kennedy stated the Banking Committee had addressed the bond sale at its meeting that morning, and recommended the Board adopt the resolutions.

MOTION:

Regent Fisher moved to adopt the following resolutions: (1) A Resolution providing for the sale and award of \$9,150,000 Field House Revenue Bonds, Series U.N.I. 1997, and approving and authorizing the agreement of such sale and award. (2) A Resolution authorizing and providing for the issuance and securing the payment of \$9,150,000 Field House Revenue Bonds, Series U.N.I. 1997, for the purpose of defraying costs of replacing the air-supported roof and other improvements to the UNI-Dome Field House located on the campus of the University of Northern Iowa, funding a reserve fund and paying the costs of issuance. Regent Arenson seconded the motion, and upon the roll being called, the following voted:

AYE: Ahrens, Arenson, Fisher, Kelly, Kennedy, Lande, Newlin, Pellett, Smith.

NAY: None.

ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

(c) Resolution Authorizing the Redemption of Outstanding Field House Revenue Bonds, Series U.N.I. 1974. The Board Office recommended that the Board adopt A Resolution authorizing the redemption of outstanding Field House Revenue Bonds (University of Northern Iowa), Series 1974, dated July 1, 1974, and directing publication of notice.

In June 1974 the Board authorized the issuance of \$2,500,000 of Field House Revenue Bonds, Series U.N.I. 1974. These bonds are payable from Field House Student Fees and Project Income and were originally issued to finance the construction of the UNI-Dome.

The bonds were redeemable on July 1, 1994, or any date thereafter upon notice being given in the manner provided in the resolution authorizing the issuance of the bonds.

Outstanding bonds as of July 1, 1997, total \$1,160,000 (excluding the 1997 maturity); the rate of interest on the bonds is 7.0 percent.

The outstanding bonds will be redeemed at par plus accrued interest plus a premium equal to three percent of the principal amount.

It was estimated that as of July 1, 1997, the 1974 bond issue surplus fund will total \$1.9 million; this sum will be sufficient to redeem the outstanding bonds and provide funds for the UNI-Dome roof replacement/improvements project for which new Field House revenue bonds will be issued.

Calling these bonds will allow the new Field House bonds to be issued without the cumbersome requirements of the 1974 bond resolution.

MOTION:

Regent Kennedy moved to adopt A Resolution authorizing the redemption of outstanding Field House Revenue Bonds (University of Northern Iowa), Series 1974, dated July 1, 1974, and directing publication of notice. Regent Ahrens seconded the motion, and upon the roll being called, the following voted:

AYE: Ahrens, Arenson, Fisher, Kelly, Kennedy, Lande, Newlin, Pellett, Smith.

NAY: None.

ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

(d) Master Lease Financing of Swine Finishing Building - Iowa State University. The Board Office recommended that the Board authorize Iowa State University to utilize master lease financing in the amount of \$170,000 to assist in funding construction of a swine finishing building for the Ag 450 Farm.

Iowa State University officials requested authorization to utilize master lease financing in the amount of \$170,000 to assist in funding construction of a new, state-of-the-art swine finishing building for the Ag 450 Farm.

The Ag 450 Farm is a laboratory farm designed to support the classroom and laboratory activities of a senior-level capstone course (Department of Agricultural Education and Studies 450) that provides students an opportunity to apply principles and concepts learned in other courses to an actual farming situation.

The estimated project cost for the swine finishing building is \$240,000 to be funded by the proposed master lease financing (\$170,000) and Ag 450 Farm Reserves (\$70,000).

A project description and budget for the swine finishing building, which is the next phase of the long-range strategic plan for upgrading swine production facilities at the Ag 450 Farm, was included on Iowa State University's May capital register.

The term of the proposed lease is 10 years.

A recently-quoted interest rate for a 10-year term was 5.98 percent; the final interest rate will be set according to the master lease agreement at the time the borrowing commitment is executed.

At an interest rate of 5.98 percent, semi-annual payments would be \$11,361; funding for the lease payments will come from proceeds of hog sales and improved farm profits.

As of January 1, 1997, the net worth of the Ag 450 Farm was \$1,061,593, an increase of \$62,908 from January 1, 1996. Current assets totaled \$318,345 on January 1, 1997, an increase of \$67,048 from January 1, 1996.

MOTION: Regent Kennedy moved to authorize Iowa State University to utilize master lease financing in the amount of \$170,000 to assist in funding construction of a swine finishing building for the Ag 450 Farm. Regent Arenson seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

ALLOCATIONS OF DESIGNATED TUITION FOR THE 1997-98 ACADEMIC YEAR.

The Board Office recommended the Board (1) approve the proposed portion of tuition and fees to be designated for student activities, student services, and building fees for the 1997-98 academic year, including summer session 1997, for the University of Iowa, Iowa State University and the University of Northern Iowa as set forth in Tables 1-3; and (2) approve the University of Northern Iowa's Building Fund for Student Activity allocation for one year.

Officials of the University of Iowa, Iowa State University and the University of Northern Iowa proposed to increase the portion of tuition and fees designated for student activities, student services and building fees by no more than 3.9 percent for the 1997-98 academic year; this percentage was consistent with the base tuition and fee rate increases previously approved by the Board.

1996-97 and Proposed 1997-98 Designated Fees
(per student)

	1996-97 Academic Year	Proposed 1997-98 Academic Year	Percent Change	1996-97 Summer Session	Proposed 1997-98 Summer Session	Percent Change
University of Iowa	\$ 147.14	\$ 152.88	3.9%	\$ 46.56	\$ 48.38	3.9%
Iowa State University	\$ 239.04	\$ 248.36	3.9%	\$ 239.04	\$ 248.36	3.9%
University of Northern Iowa	\$ 159.60	\$ 165.60	3.8%	\$ 70.00	\$ 72.70	3.9%

At its October 1996 meeting, the Board of Regents approved tuition rates and mandatory fees for the 1997-1998 academic year; base tuition and fees increased by 3.9 percent.

The amount of tuition and fees designated for student activities is significantly higher at Iowa State University compared to the University of Iowa and the University of Northern Iowa due in part to significant support given intercollegiate athletics, student government, and ISU Memorial Union, a non-profit organization.

The total increases proposed for the academic year by the Regent universities were \$5.74 per student at the University of Iowa, \$9.32 at Iowa State University, and \$6.00 at the University of Northern Iowa.

The proposed designated fees for the 1997-1998 academic year were projected to generate the following revenue:

- \$3.9 million at SUI (3.6 percent of budgeted tuition and fees);
- \$6.5 million at ISU (7.7 percent of budgeted tuition and fees); and

- \$2.1 million at UNI (6.9 percent of budgeted tuition and fees).

Specific changes in the amounts allocated to student activities were developed after consultation with students.

Requests from the universities for increases in the allocation of designated tuition and fees appear to be based on needs and requirements that are reasonable, except for the following:

- The proposed University of Northern Iowa allocation for Building Fund for Student Activity should be approved for one-year only.
- The fee should be returned to the general university fund for educational uses after FY 1998.

Table 1
University of Iowa 1996-97 and Proposed 1997-98 Designated Fees
(per student)

	1996-97 Academic Year	Proposed 1997-98 Academic Year	Percent Change	1996-97 Summer Session	Proposed 1997-98 Summer Session	Percent Change
Student Activities:						
Bijou Film Commission	\$ 0.30	\$ 0.36	20.0%	\$ 0.08	\$ 0.14	75.0%
Health Education Information	0.16	0	-----	-----	-----	-----
Lecture Committee	3.62	3.58	-1.1%	0.95	0.79	-16.8%
Rape Victim Advocacy Program	1.16	1.24	6.9%	0.21	0.21	0.0%
Safe & Anti-Violence Education	0.52	0.66	26.9%	-----	0.15	-----
Student Com. on Programming & Events	1.40	1.72	22.9%	-----	-----	-----
Student Broadcasters	2.14	2.00	-6.5%	0.45	0.42	-6.7%
Student Legal Services	1.76	1.70	-3.4%	0.62	0.54	-12.9%
Tenant Landlord Association	0.74	0.78	5.4%	-----	-----	-----
UI Student Association	19.00	20.00	5.3%	0.17	0.24	41.2%
Subtotal	\$ 30.80	\$ 32.04	4.0%	\$ 2.48	\$ 2.49	0.4%
Student Services:						
Student Publishers, Inc.	\$ 10.12	\$ 10.52	4.0%	\$ 1.65	\$ 1.71	3.6%
Cambus/Bionic Bus	21.00	22.50	7.1%	2.02	2.86	41.6%
Student Health	20.18	20.18	0.0%	4.30	4.30	0.0%
Recreational Services	2.40	4.00	66.7%	-----	-----	-----
Subtotal	\$ 53.70	\$ 57.20	6.5%	\$ 7.97	\$ 8.87	11.3%
Building Fees:						
Recreation Fields	\$ 5.00	\$ 6.00	20.0%	-----	-----	-----
Recreation Building	4.00	4.00	0.0%	-----	-----	-----
Arena/Recreation Project	27.72	27.72	0.0%	6.80	6.80	0.0%
Iowa Memorial Union	25.92	25.92	0.0%	6.03	6.03	0.0%
Subtotal	\$ 62.64	\$ 63.64	1.6%	\$ 12.83	\$ 12.83	0.0%
TOTAL	\$ 147.14	\$ 152.88	3.9%	\$ 23.28	\$ 24.19	3.9%

Table 2
Iowa State University 1996-97 and Proposed 1997-98 Designated Fees
(per student)

	1996-97 Academic Year	Proposed 1997-98 Academic Year	Percent Change	1996-97 Summer Session	Proposed 1997-98 Summer Session	Percent Change
Debt Service:						
Memorial Union	\$ 7.80	\$ 7.80	0.0%	\$ 3.90	\$ 3.90	0.0%
Hilton Coliseum	18.00	18.00	0.0%	9.00	9.00	0.0%
Recreation Facility	<u>30.50</u>	<u>30.50</u>	<u>0.0%</u>	<u>15.25</u>	<u>15.25</u>	<u>0.0%</u>
Subtotal	\$ 56.30	\$ 56.30	0.0%	\$ 28.15	\$ 28.15	0.0%
Special Purpose:						
Memorial Union Operation	\$ 45.48	\$ 45.68	0.4%	\$ 22.74	\$ 22.84	0.4%
SUB Space Remodeling	-----	0.10	-----	-----	0.05	-----
Intercollegiate Athletics	<u>34.50</u>	<u>36.00</u>	<u>4.3%</u>	<u>17.25</u>	<u>18.00</u>	<u>4.3%</u>
Subtotal	\$ 79.98	\$ 81.78	2.2%	\$ 39.99	\$ 40.89	2.2%
Student Activities:						
Recreation (General)	\$ 18.52	\$ 20.38	10.0%	\$ 9.26	\$ 10.19	10.0%
Recreation Facility	2.00	2.00	0.0%	1.00	1.00	0.0%
Student Government	49.12	49.12	0.0%	24.56	24.56	0.0%
Reserve for Legislative Relations	0.30	0.30	0.0%	0.15	0.15	0.0%
Contingency Reserve	<u>0.38</u>	<u>0.90</u>	<u>136.8%</u>	<u>0.19</u>	<u>0.45</u>	<u>136.8%</u>
Subtotal	\$ 70.32	\$ 72.70	3.4%	\$ 35.16	\$ 36.35	3.4%
Campus Bus System:						
Cy-Ride	\$ 32.96	\$ 36.66	11.2%	\$ 16.48	\$ 18.33	11.2%
Nite Ride	<u>0.92</u>	<u>0.92</u>	<u>0.0%</u>	<u>0.46</u>	<u>0.46</u>	<u>0.0%</u>
Subtotal	\$ 33.88	\$ 37.58	10.9%	\$ 16.94	\$ 18.79	10.9%
Building Maintenance:						
(Carry over Reserve)	<u>\$ (1.44)</u>	<u>\$ 0</u>	<u>-100.0%</u>	<u>\$ (0.72)</u>	<u>\$ 0</u>	<u>-100.0%</u>
TOTAL	\$ 239.04	\$ 248.36	3.9%	\$ 119.52	\$ 124.18	3.9%

Table 3
University of Northern Iowa 1996-97 and Proposed 1997-98 Designated Fees
(per student)

Activity:	1996-97	Proposed	Percent	1996-97	Proposed	Percent
	Academic Year	1997-98 Academic Year		Change	Summer Session	
Student Union Fee	\$ 18.80	\$ 14.50	-22.9%	\$ 5.90	\$ 5.90	0
Building Fund for Student Activity	22.10	8.60	-61.1%	5.00	0	-100.0%
Fieldhouse Fee	25.00	53.30	113.2%	3.00	2.90	-3.3%
Student Organizations	11.10	10.50	-5.4%	9.15	9.15	0.0%
Campus Recreation	9.80	0	-100.0%	2.10	0	-100.0%
Intercollegiate Athletics	48.00	44.80	-6.7%	3.75	3.75	0.0%
Fine Arts/Cultural	12.20	11.60	-4.9%	3.90	3.90	0.0%
Intercollegiate Academics	5.50	5.50	0.0%	1.35	1.30	-3.7%
Northern Iowan	2.40	2.20	-8.3%	0.10	0.10	0.0%
Homecoming	0.70	0.70	0.0%	-----	-----	-----
Wellness Promotion Program	1.90	0	-100.0%	0.75	0	-100.0%
Child Care	2.10	1.10	-47.6%	-----	-----	-----
Student Activities Programming	0	3.40	-----	-----	-----	-----
Wellness and Recreation	\$ 0	9.40	-----	\$ 0	9.35	-----
TOTAL	\$ 159.60	\$ 165.60	3.8%	\$ 35.00	\$ 36.35	3.9%

President Koob introduced Theresa Harms, President of the Northern Iowa Student Government Association.

Ms. Harms discussed the students' deliberations about the activity line items and the building fee line item.

Mr. Richey stated that every dollar that goes into an earmarked fee comes directly out of the general fund of the university. He said the University of Northern Iowa building fund for student activity fee was not a student allocation. It was a Board allocation at the outset whereby the Board took it out of the general fund of the university and allocated it to the building fund for an unspecified building. He said this is an anomaly in terms of what the Board does. The Board does not earmark any part of the tuition and fees at any of the other universities for future possible use for a building. In fact, the pressure is to augment the general funds of the universities as much as possible because of the constant need for funds. By setting this aside for an unspecified possible future use is really saying the university does not need this money for the general university budget.

Mr. Richey stated that the amount of the earmarked "fees" is different for each university. For example, some have athletic activity fees and some do not. Iowa State

University's fees are higher than the other two universities because its student union is a separate corporation. Expenditures for student unions at the University of Iowa and the University of Northern Iowa to some extent come out of the general funds of the universities. There are some accounting differences among the universities but the Board does not set up contingency funds except in this instance at the University of Northern Iowa. He said the Board Office recommendation is to allow some funds for feasibility studies or other possible uses in the future for this one year. After that year, the funds would go back into the general university fund until some specific proposal is brought to the Board in the future.

Presidents Coleman and Jischke each made brief comments about the designated tuitions recommended for their universities.

President Koob asked whether there was an indication on the part of the Board Office that somehow the student fee allocation at the University of Northern Iowa was larger than the student fee allocation of the other two universities. It was his understanding that student fees are student fees. The number of dollars allocated to student fees at the University of Northern Iowa falls within the range of the three institutions. He said the students have been operating under the assumption that they have the freedom to allocate within the dollars available to the categories they choose. If that is untrue then they need to understand that.

Mr. Richey responded that the building fund for student activity fee at the University of Northern Iowa was specifically earmarked by the Board. If, for example, a university pays off a bond that is supported by earmarked students fees, the money does not automatically go to the student government for some other allocation. It goes back to the Board for the Board to decide how to utilize those funds.

President Koob asked if Mr. Richey was saying the student fee is not a percentage of tuition but rather a variable number that changes every year. Mr. Richey said the latter was correct. It is not a fixed amount and the amounts are different for each campus. The fees are not forever allocated to a student fee. The Board retains the flexibility to utilize that portion of the assessment for mandatory tuition and fees for another purpose when the purpose for which it is earmarked ends.

President Koob said the University of Northern Iowa's students have not operated under that assumption. That information would be taken under consideration as funds are allocated for next year. He said the Board needed to know that this allocation was done under the assumption that the student fees were a particular percentage of the total tuition collections. Students were given freedom to allocate the funds as they saw fit.

Mr. Richey said the building fund student fee at the University of Northern Iowa was started approximately 20 years ago. It was not a set aside as a student fee at that time. It was actually set aside at the recommendation of the administration of the university for this purpose for the future.

Regent Arenson asked if a precedent would be set if the Board adopted the recommended action. Mr. Richey said a precedent was set 20 years ago when the Board allowed the institution to do it. It is renewed now. If it is allowed to continue, then the Board is setting a precedent for the other institutions to follow. University officials were requesting to set fees aside in a fund for which there is no purpose except to be determined in some later year. The University of Northern Iowa does, in fact, need these funds in its general budget. He said the Board Office recommends that the funds go back into the general fund of the university unless there is a specified use that the Board agrees to a year hence for a different use of the \$100,000 a year.

Regent Arenson asked for clarification of the recommendation that for one more year the students can continue to use the funds that they have been earmarking for building funds.

Mr. Richey said the \$100,000 would be to conduct studies as to alternative needs in the future without any commitment year-after-year of a continuing allocation. It is an allocation for feasibility studies for various projects the students and the university administration may wish to propose to the Board over the years.

Regent Lande expressed concern about the idea of spending \$100,000 to try to figure out a building project.

Mr. Richey said it was his understanding that the university administration would be involved in the feasibility study. It would not just be the students entering into contract for \$100,000. The Board could decide to have the money go into the general fund of the university beginning immediately. If the university wants to spend \$100,000 on a feasibility study, it can make a request of the Board.

Regent Arenson asked for the effect of the Board disapproval of Board Office recommendation number 2 allowing the University of Northern Iowa's building fund for student activity allocation for one year. Mr. Richey responded that if the Board disapproves the allocation, the money automatically goes into the general fund of the university.

Regent Arenson asked whether the university can do whatever it wishes with the funds. Mr. Richey responded affirmatively, noting that the university could use those funds for any purpose.

Regent Lande asked if it would be appropriate for university officials to choose to allow the students to use the funds for a feasibility study. Mr. Richey responded affirmatively.

Regent Arenson asked President Koob to explain why the Board should not put the student fee money into the general fund and then the university could use it for whatever purpose it chooses.

President Koob responded that in the budgeting process, university officials have set aside a certain number of total dollars for student fee determinations. Freedom is given to the student fee committee to decide how to divide that money. What was presented to the Board in the budget was what the student fee committee, in good conscience, distributed. For example, they reduced athletics by \$50,000 in order to be able to retain the student building funds. He said it is true that if the Board wants to return the money to the university general fund, university officials can reallocate the money for approximately the same purposes as designated by the committee. He said it is a point of integrity with respect to the students. University officials, in good conscience, gave the students a fraction of the total collections for allocation. They, in good conscience, distributed the funds in a way they thought was in the best interest of the students. He wished to defend their decision.

Regent Arenson suggested that President Koob could keep faith with the students even if the Board disapproves the allocation to the building fund and the money went into the university general fund by allocating the funds in the same manner.

President Koob questioned why the Board would want to do that.

Regent Arenson responded that to approve the university's request sets a precedent for the other two universities. This type of earmarking is not what the Board generally wants to do.

Mr. Richey said it is dangerous to have undesignated fees and accumulations of funds in accounts that are undesignated. Those funds could be swept by the state or others in the future for another purpose.

President Koob said he respectfully disagreed with Mr. Richey. University officials have developed reserves in all of the university's building operations. In fact, university officials were chastised a month or two ago for not having a large enough reserve in the housing operation when it was brought before the Board. He said the students feel that they have an ongoing building program. Students support the Wellness Center and the student union. Students feel it is prudent to maintain some sort of a building reserve. It is not an unspecified number of dollars. It was not done in a way to build any kind of

slush fund. It was done out of a sincere intent on the part of the students to create a reserve for certain maintenance that is going to persist into the future. Every one of the university's buildings continuously require maintenance. He believes it was a point of pride for the students to designate a building fund to allow that to occur. It was for that reason that President Koob wished to preserve integrity with the students.

President Koob said it was a matter of allocating a fraction of the total collections of the university to the students for their allocation purposes. University officials suggest to the students that the amount of dollars they are given for allocation is based in good faith on the assumption that they can make the allocation. Students believe they have a responsibility to the facilities and that was what they were trying to reflect with the proposed allocation.

Regent Pellett questioned whether it might be advisable to table this matter until next month's meeting. Doing so would provide an opportunity to better understand the issues. She said they owe it to the students and to the integrity that the University of Northern Iowa has with the students.

President Newlin suggested that all who wished to be heard on the issue be allowed to do so before a motion is made to table the matter.

Regent Kennedy asked why this year's allocation for the portion of the building fund for student activity is unique. Mr. Richey responded that the purpose for which the fee was originally started has been accomplished. University officials were proposing to start a new unspecified building fee rather than having the money go directly to the general fund of the university.

Regent Smith referred to when the building fund for student activity fee was established years ago, and asked whether students had the opportunity to determine to which projects the funds would be committed.

Mr. Richey responded that University of Northern Iowa officials proposed the unspecified building fee many years ago without specifying the purpose. The purpose was developed over the intervening 20 years. The university was asked to come in with some external funds for the Wellness Center in addition to the state appropriations. University officials identified the use of these funds for that purpose because it is a student wellness center.

Regent Ahrens questioned if the Regents were to allocate the funds back to the general fund would they actually be changing the percentage that is allocated to the students?

Mr. Richey said there is no set amount that goes to the student fees. If the purpose ends, the percentage changes. The purpose has ended here and the issue now is whether the Board is going to continue to have moneys that could go to the general fund of the university instead of going into this unspecified reserve for an unspecified reason.

Regent Arenson stated that the Regents should uniformly manage and govern in terms of the funds of all three universities. He saw no value in extending for one year a program that continues a business practice which the Board does not wish to continue. If this is not how they want to do business a year from now, they should make the change today. He does not feel they are breaching faith with students because university officials can earmark the funds from the general fund for whatever use they choose.

Regent Lande stated that if the \$5.60 fee is going to be continued for students although there is not a current purpose for it, he would not want to imply that the funds should be spent for feasibility studies.

President Koob stated that the proposal was not for additional assessments. The student fees are adjusted by the university with the approval of the Board of a fraction of the collections of tuition which are designated for students to decide how to spend. By reducing the number they will not reduce the dollars collected from students. They would reduce the authority that the students have to make the decision on how to allocate the funds.

Regent Arenson said it appeared that the university has the power to allocate the general funds of the university in any manner that it chooses. Mr. Richey said that was so, with the Board's approval.

Regent Arenson asked if university officials could allow students to make recommendations and the university could set aside funds from the general fund. Mr. Richey said that was correct.

Regent Smith suggested the Regents should think about this discussion in light of previous discussions when tuition rates were proposed to be increased. She said students talked about seeing improvements on the campuses and expressed appreciation for their having input into those decisions. Students were willing to accept the tuition increases because they saw where their money was going. Regent Smith believes that students should have a right to have input into improvements on the campuses. If the process at each of the institutions is different, so be it. There are different needs on the campuses.

Regent Lande said he did not believe they were debating whether the students can take initiatives nor were they arguing about whether the universities can fund those student initiatives. They were talking about whether the funds that are collected ought to go into the general fund or whether they ought to be specifically earmarked for use and control by students. He said that unless the Regents were willing to do that for all three universities, it was not a good idea to continue to do it just for the University of Northern Iowa.

Regent Lande asked what would happen differently at the University of Northern Iowa if the Regents disapprove the university's request.

President Koob responded that functionally what would happen is that the numbers of dollars that were designated to go to decisions made by the students would be reduced by the number of dollars at issue. It would be the administration's choice where to put those dollars. As a compromise, President Koob offered that if the Regents wish on principle to disapprove the continuation of the building fund for student activity fee, university officials would then resubmit a new student fee level to return it to its current level based on specific objectives. He noted that this issue could have been worked out informally if he had known before the Board meeting that it was going to be an issue.

Mr. Richey noted that President Koob had been out of the country and he had been out of the office.

Mr. Richey suggested that the Board members could approve the recommended action as amended to disapprove the University of Northern Iowa's building fund for student activity allocation with the understanding that university officials can come in next month with a proposal for another specific use for this amount of money. It will then be at the Board's discretion whether the funds are used for that purpose or whether it should continue in the general fund on the basis of the action taken today.

MOTION: Regent Arenson moved to (1) approve the proposed portion of tuition and fees to be designated for student activities, student services,

and building fees for the 1997-98 academic year, including summer session 1997, for the University of Iowa, Iowa State University and the University of Northern Iowa as set forth in Tables 1-3; and (2) disapprove the University of Northern Iowa's Building Fund for Student Activity allocation for one year. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

PROPOSED REVISIONS IN THE REGENTS MERIT SYSTEM PAY PLAN FOR FISCAL YEAR 1998. The Board Office recommended that the Board approve the following provisions for the fiscal year beginning July 1, 1997:

(1) The pay matrices for classifications in the blue collar, security, technical and clerical bargaining units be increased by 3.0 per cent on July 1, 1997, in accordance with the negotiated agreement with the American Federation of State, County and Municipal Employees (AFSCME).

(2) The pay matrix for non-organized supervisory staff be increased by 3.0 per cent on July 1, 1997, consistent with the salary policies approved by the General Assembly.

(3) Within-grade step increases be provided in fiscal year 1998 for contract-covered employees in accordance with the collective bargaining agreement and for non-contract employees in accordance with the provisions of the merit rules of the Regents Merit System.

The recommended actions were consistent with the collective bargaining agreement negotiated for 1997-99 between the State of Iowa and AFSCME and the pay policies established in the salary bill passed by the General Assembly.

Pay matrices will be increased 3.0 per cent.

Contract and noncontract covered employees will be eligible for step increases in fiscal year 1998 in accordance with the collective bargaining agreement or the merit rules.

The salary legislation provides for comparable increases for merit system employees (supervisory and confidential) not covered by a collective bargaining agreement.

The total increase to be given to contract-covered and noncontract-covered employees in the Regents Merit System will average approximately 4 per cent including within grade step increases.

The total compensation base for about 8500 Regent merit system employees is approximately \$207 million, including money from the general fund, restricted funds and all hospital funds.

The AFSCME bargaining agreement for FY98 provided for a single indemnity health insurance program called Plan 3 Plus. For FY98 the cost to the employer of this program is expected to increase 8 percent over the current year. The estimated FY97 cost of health insurance for merit system employees is approximately \$19.6 million.

A required public hearing on the proposed pay plan was held on Thursday, May 8, 1997, at 7 p.m. in the Lucas State Office Building on the Capitol grounds. No comments were received.

Regent Pellet questioned whether the 8 percent increase in the Plan 3 Plus premium was excessive. Regent Fisher stated that the health insurance company with which his company does business came in with a 17 percent increase in premium. In order to lower the premium increase, his company increased the deductibles. He noted that this year health insurance premium increases are substantially higher than they have been in the past few years when they had been substantially flat.

Mr. Richey stated that the health insurance benefit plan and contribution rate were bargained. The state-bargained Plan 3 Plus removes all other indemnity plans. The long term effect will be in the state's interest. In order to get that accomplished, the state increased the contribution of the employer for family coverage to 70 percent for the first year of the contract. The second year of the contract reverts back to the prior 50/50 sharing of the premium cost increases. The 7.6 percent employer cost increase is based on a substantial (\$4 million) buy down using health insurance reserves accumulated in the state's health plan.

Regent Pellett asked if the Priority Issue Study Group on Employee Health Insurance would be meeting soon. Mr. Richey responded affirmatively, stating that the desire was to wait until the state's process had concluded.

Regent Fisher asked what the amount of insurance premium increase would have been without the \$4 million buy down. Mr. Richey estimated that the amount of increase without any buy down was 15.6 percent.

Regent Pellett questioned whether the state had dipped into those reserves before to offset insurance premium increases. Mr. Richey responded that it had but not beyond the current accumulation rate. He said he had not seen the condition of the state reserves; there is a study underway to determine what those reserves are. He expected to have

that information for the Priority Issue Study Group on Employee Health Insurance meeting.

MOTION:

Regent Kennedy moved to approve the following provisions for the fiscal year beginning July 1, 1997: (1) The pay matrices for classifications in the blue collar, security, technical and clerical bargaining units be increased by 3.0 per cent on July 1, 1997, in accordance with the negotiated agreement with the American Federation of State, County and Municipal Employees (AFSCME). (2) The pay matrix for non-organized supervisory staff be increased by 3.0 per cent on July 1, 1997, consistent with the salary policies approved by the General Assembly. (3) Within-grade step increases be provided in fiscal year 1998 for contract-covered employees in accordance with the collective bargaining agreement and for non-contract employees in accordance with the provisions of the merit rules of the Regents Merit System. Regent Smith seconded the motion.
MOTION CARRIED UNANIMOUSLY.

PROPOSED SALARY POLICIES FOR PROFESSIONAL AND SCIENTIFIC STAFF AND FOR FACULTY AT THE SPECIAL SCHOOLS FOR FISCAL YEAR 1998. The Board Office recommended that the Board approve:

- (1) The proposed pay schedules for professional and scientific employees for the five institutions and the Board Office, as presented.
- (2) The faculty salary schedule for the Iowa School for the Deaf and the Iowa Braille and Sight Saving School for fiscal year 1997, as presented.
- (3) The proposed supplemental pay schedules for extracurricular activities at the special schools in 1997-98, as presented.
- (4) The creation of a professional and scientific position for Facilities Management at the Iowa Braille School.
- (5) The proposed additions and deletions to the professional and scientific classification system at Iowa State University.

University of Iowa officials plan to modify the professional and scientific (P&S) salary schedule to reflect state salary policy and the external market by increasing the minimum for each pay grade by one percent and the maximum by three percent. The salary increases will average four percent including promotional, decompression and equity increases.

University of Iowa Hospitals and Clinics officials proposed to provide an average increase of 3.1 percent for most P&S staff. UIHC professional and scientific employees are on the same scale as the university P&S staff.

In recent years, UIHC health care professionals, especially nurses, received average annual salary increases which exceeded those paid to other university P&S staff (6.5 percent vs. 4.4 percent) for a seven-year period.

The desire to limit staff reductions was taken into account as UIHC developed its budget for fiscal year 1998.

Some UIHC classifications will receive a higher average increase because of internal equity and market demands (e.g. sonographers, imaging technologists and computing professionals).

Including these adjustments and equity increases, the UIHC salary budget will increase by a net of 3.5 percent for hospital professional employees.

Iowa State University officials proposed to adjust the professional and scientific pay scale by an increase of 2.0 percent to all pay grades. Overall salary increases will average four percent, consistent with state legislation.

This proposal is consistent with market survey data and market projections for salary grade adjustments.

The proposed pay grade adjustment will allow Iowa State University to remain competitive in the market.

Within the pay ranges, it is anticipated that satisfactorily performing staff would have the expectation of receiving at least one-third of the average. The balance of the funds would be used to make merit adjustments, address equity, comparable worth and competitive marketplace adjustments.

University of Northern Iowa officials proposed a one percent increase to the minimums and a 3.0 percent increase to the maximums of the professional and scientific pay scale range.

The salary increases are targeted for an average four percent, consistent with the four percent increase negotiated with the organized faculty.

Board Office professional and scientific pay scales will be increased by an average of 3 percent. Grade 1 was left unchanged. Grades 2 through 7 were increased 3 percent and grade 8 was increased 3.5 percent.

The proposed adjustments are expected to maintain competitive relationships with comparable institutions.

Iowa School for the Deaf and Iowa Braille and Sight Saving School officials proposed to increase the current P&S salary schedule by 3.0 percent to the base salaries.

The total compensation base for about 7100 P&S employees is approximately \$328 million, including money from the general fund, restricted funds and all hospital funds. The cost of the salary increase is approximately \$13.1 million.

Funding was appropriated for faculty increases at the special schools averaging 4 percent in compensation for fiscal year 1998. The pay schedule proposed provides for an increase of 3.0 percent.

With the expected adjustments for additional years of service and academic attainment, the average increase will be about 4 percent.

The revised supplemental schedule proposed for fiscal year 1998 provides for no increase in the scale for faculty extra-curricular activities at the Iowa School for the Deaf.

The Iowa Braille and Sight Saving School is proposing an increase of 4.0 percent in stipends for extracurricular assignments for faculty.

The total compensation base for faculty at the special schools is approximately \$3.8 million. The cost of the increase in compensation will be approximately \$152,000.

Iowa Braille and Sight Saving School is proposing the addition of a Facilities Manager to its professional and scientific classification system -- pay grade 4 (currently \$29,431 to \$42,087). The cost is offset by reductions in other positions.

Iowa State University is proposing additions, deletions and changes in its classification system. The proposals include 9 pay grade changes, 3 title and pay grade changes, 3 title changes and the deletion of 34 titles.

The changes will update the university's classification system to reflect changes in duties, responsibilities and pay grades.

Mr. Richey noted that officials of the Iowa Braille and Sight Saving School proposed a 4.4 percent increase in stipends for extra-curricular assignments for faculty. The Board Office recommended a 4 percent increase in order to stay within the budget.

MOTION:

Regent Arenson moved to approve: (1) The proposed pay schedules for professional and scientific employees for the five institutions and the Board Office, as presented. (2) The faculty salary schedule for the Iowa School for the Deaf and the Iowa Braille and Sight Saving School for fiscal year 1997, as presented. (3) The proposed supplemental pay schedules for extracurricular activities at the special schools in 1997-98, as presented. (4) The creation of a professional and scientific position for Facilities Management at the Iowa Braille School. (5) The proposed additions and deletions to the professional and scientific classification system at Iowa State University. Regent Ahrens seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

BUDGET ADJUSTMENTS FOR FISCAL YEAR 1997 AND PRELIMINARY GENERAL FUND OPERATING AND ATHLETIC BUDGETS FOR FISCAL YEAR 1998. The Board Office recommended the Board (1) Approve FY 1997 budget ceiling increases as recommended for:

University of Iowa - Family Practice Program	\$3,000
Iowa State University - General University	\$3,200,000
University of Northern Iowa	\$250,000
Iowa Braille and Sight Saving School	\$12,854

(2) University of Iowa -- Approve rate increases, effective July 1, 1997, for the UIHC (2.5%), Psychiatric Hospital (4.0%), Hospital School (5.0%), and Hygienic Lab (3.0%).

(3) Iowa State University

a) Refer the proposed changes in the mileage reimbursement rates to the Board Office for review.

b) Defer action on the Iowa State University proposed changes to the Board's policy on transfer and cashability of TIAA/CREF accumulations and refer the issue to a priority study group.

(4) University of Northern Iowa

a) Disapprove UNI budget ceiling increase of \$325,000 from life and disability insurance revenue.

b) Require UNI to reallocate a minimum of 2% of the operating budget for inclusion with the June budget submission to the Board.

c) Require UNI to specifically identify dollar amounts for each of its strategic goals.

d) Request UNI to review revenue estimates for tuition and fees as well as other revenue sources and revise as necessary for the June budget submission to the Board.

(5) Iowa School for the Deaf -- Require ISD to reallocate a minimum of 2% of the operating budget for inclusion with the June budget submission to the Board.

(6) Refer to the institutional and Board Office proposed preliminary budgets for FY 1998.

FY 1997 Budget Ceiling Increases

Officials of four of the five institutions requested budget ceiling increases due to higher than anticipated revenues; the revenue increases will be utilized to cover expenditures as specified in the institutional memos.

Board Budget Process

The preliminary budgets will be revised and re-submitted to the Board in June based on the Governor's action on the appropriations bills affecting the Regents, Department of Management's allocation of salary appropriations, updated revenues estimates, and any revisions in institutional priorities based on Board comments and actions at the May meeting.

Capital improvement plans and allocations of capital appropriations for FY 1998 will be presented to the Board in June in addition to the FY 1998 revised preliminary operating budgets.

Following approval of the revised preliminary operating budgets in June, institutional officials will determine specific salaries for each staff member and allocate funding to colleges, academic departments, and support and administrative units.

The final FY 1998 operating budgets will be presented to the Board in July; restricted fund budgets will also be reflected.

FY 1998 Preliminary General Fund Operating Budgets

The preliminary FY 1998 general fund operating budgets for the five Regent institutions total \$1.2 billion for FY 1998, an increase of 3.9 percent over the revised FY 1997 budgets. The preliminary FY 1998 budgets were developed by the institutions based on the Board's and institutions' approved strategic plans, the Board's FY 1998 appropriation request to the Governor and General Assembly, and actions of the Governor and General Assembly.

The general operating funds are distributed among the institutions as follows:

University of Iowa	\$ 778,649,756
Iowa State University	346,426,156
University of Northern Iowa	112,356,308
Iowa School for the Deaf	7,551,098
Iowa Braille and Sight Saving School	<u>4,316,254</u>
TOTAL	\$1,249,299,572

FY 1998 direct state operating appropriations for the five Regent institutions, excluding tuition replacement, total \$612.1 million, an increase of 5.2 percent over FY 1997.

Increased appropriations for Regent program initiatives total \$4.6 million (Table 1). The detailed submissions of the institutions for their FY 1998 preliminary operating budgets were previously provided to the Board.

The FY 1998 operating budgets include \$15.6 million for strategic planning initiatives of the University of Iowa; \$13.8 million for Iowa State University, and \$1.5 million for the University of Northern Iowa; funding will be provided through increased state appropriations, other new revenues, and reallocations.

Table 1
State Appropriation Increases
for Program Initiatives
for FY 1998

All Institutions - Library Inflation	\$1,214,785
University of Iowa	
General University	
Undergraduate Education	\$ 258,000
Building Repairs	103,903
Technology Based Teaching	500,000
Biosciences	200,000
Humanities Research	150,000
Advanced Drug Development - Base Adjustment	(74,582)
	<u>\$1,137,321</u>
Iowa State University	
General University	
Building Repairs	\$ 30,817
Graduate Students Tuition Assistance	200,000
Engineering Education	1,000,000
Technology	100,000
World Food Prize	250,000
Institute for Physical Research & Technology	
Technology Transfer	50,000
	<u>\$1,630,817</u>
University of Northern Iowa	
Opening New Buildings	\$ 317,145
Technology	150,711
Distance Education	50,000
Institute of Decision Making	50,000
	<u>\$ 567,856</u>
Iowa School for the Deaf	
Vocational Education	\$ 30,000
Iowa Braille and Sight Saving School	
Accounting System	<u>\$ 20,000</u>
Total	<u><u>\$4,600,779</u></u>

The funding for strategic planning initiatives is allocated in accordance with the Board's and institutional strategic plans.

At its May 1996 meeting, the Board approved a five-year program requiring reallocations of at least 2 percent per year for each of the institutions. The institutions identified the following reallocations which will be used to fund strategic planning initiatives and mandatory cost increases:

University of Iowa	\$11,411,025	3%
Iowa State University	6,982,577	2%
University of Northern Iowa	825,000	0.7%
Iowa School for the Deaf (adjusted)	25,000	0.3%
Iowa Braille & Sight Saving School (adjusted)	68,288	2%

Officials of the University of Northern Iowa and the Iowa School for the Deaf had not identified enough reallocations in the FY 1998 preliminary budget to meet the Board policy of 2 percent reallocations. University of Northern Iowa officials asked each division to reallocate at least 2.0 percent to achieve the goals of the strategic plan for FY 1998 which will be presented in the final budget.

Mandatory cost increases include utilities, opening new buildings, risk management, accommodations for students with disabilities, and space rental charges.

Tuition and fee revenues for FY 1998 are 3.5 percent higher than the revised FY 1997 budget, based on the rate increases approved by the Board last fall, fall 1997 enrollment projections, and the mix of resident and nonresident enrollment.

Total salary expenditures are expected to grow 3.6 percent over the FY 1997 revised budget. Net increases for faculty at the three universities will average 4.0 percent. Faculty increases for the special schools average close to 4.0 percent including a one step advance on the salary schedule for all eligible faculty and a 3.0 percent increase adjustment of the pay matrix. Salary increases for professional & scientific staff average 4.0 percent and are based on performance.

University of Iowa Hospitals and Clinics officials proposed to provide a 3.5 percent average increase for professional and scientific staff for FY 1998; overall UIHC salary expenditures will only increase by 1.1 percent. In recent years, UIHC health care professionals, especially nurses, have received average annual salary increases which exceeded those paid to other university P & S (6.5 percent vs. 4.4 percent) for a seven-year period.

This differential and the desire to limit the number of staff positions which must be eliminated to reduce expenditures by \$65 million over four years (part of UIHC's operational plan from FY 1997 through FY 2000) have been taken into consideration in developing the average recommended increase.

Salary increases for merit staff covered by collective bargaining and supervisory merit staff include a 3 percent increase on July 1, 1997, and merit step increases for eligible employees.

The Regents' portion of salary adjustment appropriations was estimated at \$26.0 million based on an estimated 10% increase in health insurance rates. It was anticipated that the allocation of salary funds will be completed by the Department of Management by the June Board meeting.

Library collections have been augmented by the \$1.2 million (8.5 percent increase) in state appropriation funding to help offset inflationary increases for library materials at the Regent institutions.

Aid to students will grow \$2.3 million (6.4 percent) as a result of the tuition rate increases approved by the Board last fall, increased state appropriations of \$200,000 at Iowa State University for tuition assistance and scholarships for graduate assistants, and internal reallocations.

FY 1998 state appropriations for tuition replacement of \$27.8 million plus \$213,734 estimated carryforward from FY 1997 represents the \$28.0 million currently estimated for full coverage of debt services for academic revenue bonds in FY 1998.

State appropriations for regional study centers of \$350,330 include \$9,213 in additional appropriations for salaries.

The preliminary FY 1998 budget for Lakeside Laboratory is \$390,148. The \$313,338 funding provided by the Regent universities is funded in accordance with the current formula of 50 percent University of Iowa, 30 percent Iowa State University and 20 percent University of Northern Iowa.

Room and board revenue and expenses are estimated at \$76,760.

President Koob referred to the Board Office recommendation to "require UNI to reallocate a minimum of 2% of the operating budget for inclusion with the June budget submission to the Board", and expressed concern about the word "require". He said that last year the Board passed a motion that the institutions be required on the

average to reallocate 2 percent per year. The University of Northern Iowa reallocated over 7 percent of its budget last year. University officials will be reallocating 2.7 percent this year. He stated that to suggest that the university is to be required to reallocate an additional 2 percent this year is inconsistent with the Board's past motion.

Mr. Richey stated that the Board's policy requires an average of 2 percent per year for 5 years.

Superintendent Johnson asked to make the same point which President Koob had just made. It was his understanding that the reallocation was for 10 percent over 5 years. As school officials began the year, 3.1 percent had been reallocated. The information submitted on the preliminary budget was .9 percent. Those two would equal 4 percent for the two years. In addition, school officials have reallocated approximately 1.3 percent this year making this year's reallocation over 4 percent. He said school officials would appreciate recognition of their reallocation activities. They will achieve the requirement for 10 percent reallocation over 5 years but he hoped it would not be 2 percent every year.

Regent Arenson thanked University of Northern Iowa and Iowa School for the Deaf officials for their great efforts and accomplishments.

(a) University of Iowa. The Board Office recommended the Board (1) approve a FY 1997 budget ceiling increase of \$3,000 for the Family Practice Program; (2) receive the report on the FY 1998 preliminary general fund operating budget for the University of Iowa in the amount of \$778,649,756; and (3) approve rate increases, effective July 1, 1997, for the UIHC (2.5 percent), Psychiatric Hospital (4.0 percent), Hospital School (5.0 percent), and Hygienic Lab (3.0 percent).

FY 1997 Budget Ceiling Increase

University of Iowa officials requested a net FY 1997 budget ceiling increase of \$3,000 for the Family Practice Program; this represented a 0.1 percent increase over the original FY 1997 budget for the Family Practice Program. University officials project an increase in nonappropriated income due to higher than anticipated revenues. The increase will be utilized to offset travel costs and general expenses associated with university outreach activities at the sites of the community-based residency programs.

FY 1998 Preliminary General Fund Operating Budget

The preliminary FY 1998 general fund operating budget for the University of Iowa of \$778,649,756 was \$27,272,219 (3.6 percent) greater than the revised FY 1997 budget; the budget is summarized in Table 1.

This budget was developed by the institution based on the Board's and institution's approved strategic plans, the Board's FY 1998 appropriation request to the Governor and General Assembly, and the actions of the Governor and General Assembly.

The funds are distributed among budget units as follows:

	<u>Total Budget</u>	<u>State Appropriations</u>
General University	\$356,501,304	\$224,565,869
University Hospital	382,079,900	30,976,452
Psychiatric Hospital	16,600,000	7,704,848
Hospital School	8,051,400	6,491,601
Oakdale Campus	3,881,699	3,031,699
Hygienic Laboratory	5,707,336	3,665,272
Family Practice	2,254,404	2,224,404
SCHS	755,400	520,090
Special Purpose	<u>2,818,313</u>	<u>2,818,313</u>
Total	\$778,649,756	281,998,548

The FY 1998 state appropriations of \$281,998,548 represent an increase of \$14,098,426 (5.3 percent) greater than the revised FY 1997 appropriations. Increases in state appropriations include net salary increases of \$12.4 million and program initiatives of \$1.7 million.

Other revenues are estimated to increase \$13.2 million (2.7 percent) over the revised FY 1997 budget.

The university's reallocations of \$11.4 million (3.2 percent) are incorporated as part of the strategic planning goals for the general university budget.

Salary increases will be allocated as follows:

- Salary increases for faculty average 4 percent (including promotional and equity increases); increases will be granted based on the quality of teaching, research and scholarship, and service.

- Salary increases for clinical faculty in the College of Medicine are based on the Board policy approved in September 1994 which changed the compensation plan to allow flexible salary allocations based on productivity in patient care services.
- Increases for the clinical services component are fully derived from earnings in the College of Medicine Faculty Practice Plan (FPP). Effective FY 1996, the plan identified an academic and clinical services component for each faculty clinician; the clinical services component, depending on productivity and revenue, can be adjusted up or down. For FY 1998, it is expected that FPP revenue will not grow sufficiently to support 4 percent salary funding; the average increase for the clinical services component of the salary increase for faculty clinicians will therefore be less than 4 percent.
- Salary increases for Professional & Scientific Staff (P & S) average 4 percent, and are based on merit and equity; the university continues its program to eliminate salary compression.
- These salary guidelines will apply regardless of source of funding, except for health care professionals employed by UIHC; UIHC proposes to provide an average increase of 3.5 percent for FY 1998.
- In recent years, UIHC health care professionals, especially nurses, have received average annual salary increases which exceeded those paid to other university P & S (6.5 percent vs. 4.4 percent) for a seven year period. This differential and the desire to limit the number of staff positions which must be eliminated to reduce expenditures by \$65 million over four years (part of UIHC's operational plan from FY 1997 through FY 2000) have been taken into consideration in developing the average recommended increase.
- Salary increases for General Services Staff covered by collective bargaining and supervisory General Services Staff include a 3.0 percent increase on July 1, 1997, and merit step increases for eligible employees.
- The initial contract covering graduate assistants provides for salary increases for FY 1998 of 2.1 percent; the remaining increase, equivalent to 1.9 percent of salary, will be directed to health insurance.

University officials plan to convert fringe benefits budgeting from a system whereby each benefit is budgeted by individual to one in which a fringe benefit percentage is established and budgeted by class of employee; the change in methodology will:

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- Permit a university-wide pooling for costs such as terminal vacation liability and early and phased retirement; and
- Eliminate many inequities and simplify the administration of fringe benefits.

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President Coleman reviewed the University of Iowa's preliminary general fund operating budget with the Regents. She said university officials are keeping faith with the commitment to salaries. A number of segments of the budget focus on the university's general fund. She noted that the Governor and General Assembly funded the Regents' salary policy fully. Those funds are complemented in the general fund with tuition growth and internal reallocation. University officials project that enrollments will be up about 200 students. The additional revenues due to enrollment growth will first be used to meet student demand. Secondly, the additional funds will be used to improve quality through initiatives.

President Coleman reviewed information contained in Table 1 including unavoidable cost increases (\$12.8 million). She noted that as the University of Iowa receives more national recognition, others want to raid the faculty.

President Coleman discussed the University of Iowa's most critical initiatives. First was instruction and student services and second was research. She reviewed the information on Table 1 which correlated budget initiatives with the strategic plan goals of the university. The largest applications of new revenues were for student aid and instructional equipment including the technology-based teaching initiative. This summer the university would be offering for the second year a special three-week summer session. Graduation rates of students improve for those who take summer school, even one course. Additional revenues will be provided for student services especially for counseling activities to meet the need of growing enrollments.

President Coleman stated that many other reallocations in support of instructional and student services were summarized well in the docket memorandum. She said the university is targeting building renewal in the budget. The plan is to close the gap to zero in the next 5 years. With regard to research programs, she discussed the interdisciplinary biosciences initiative and the arts and humanities research which have created energy and vitality on the campus.

President Coleman concluded by stating that internal reallocation opportunities were boosted by 150 early retirements which freed up \$579,000.

Regent Lande asked about the demographics of the university professorial population as far as new opportunities versus retirements. President Coleman stated that an interesting discussion is taking place nationally. We in Iowa have not seen the creep in people not wanting to retire at the age of 65. She believes they have kept ahead of the curve because of the Regents retirement program. Other universities have reported in the last two years a very rapid lengthening of the time that people are waiting to retire. A significant number are staying to ages 70 to 75. That has not been seen yet at the University of Iowa.

Regent Arenson commended President Coleman and her staff on making the difficult decisions in terms of reallocations and focusing on the strategic mission of the university. He referred to the window retirement program and asked if the entire 150 opportunities had been utilized.

President Coleman responded that employees had used every slot.

Regent Arenson asked whether university officials anticipated that more slots might be necessary. Vice President True responded that there were no plans to do so at this time although in the future they may want to consider doing so. He clarified that 148 people had signed agreements under the window retirement program.

Regent Arenson asked if the Board members could receive a report concerning the final status of the retirement program offering. Vice President True stated that university officials had presented a report to the Board two months ago. President Coleman said university officials would redo the report to include the most current information and present it to the Board members.

President Newlin expressed appreciation to university officials for tying strategic initiatives in with the budget figures and on one page.

President Newlin referred to President Coleman's earlier comment about the legislature fully funding the Regents salary bill. He said Mr. Richey and Mr. Steinke met with the Chairman of the Senate Appropriations Committee and explained the Regents situation. That meeting initiated a turning point for the legislative understanding of the Regents salary issues.

MOTION:

Regent Fisher moved to (1) approve a FY 1997 budget ceiling increase of \$3,000 for the Family Practice Program; (2) receive the report on the FY 1998 preliminary general fund operating budget for the University of Iowa in the amount of \$778,649,756; and (3) approve rate increases, effective July 1, 1997, for the UIHC (2.5 percent), Psychiatric Hospital (4.0 percent), Hospital School (5.0 percent), and Hygienic Lab (3.0 percent). Regent Lande seconded the motion. MOTION CARRIED UNANIMOUSLY.

(b) Iowa State University. The Board Office recommended the Board (1) approve a FY 1997 budget ceiling increase for the general university of \$3.2 million; (2) receive the

report on the preliminary FY 1998 general operating budget for Iowa State University in the amount of \$346,426,156; (3) refer the proposed changes in the mileage reimbursement rates to the Board Office for review including consultation with other Regent institutions and state agencies and further development of cost estimates; and (4) defer action on the proposed changes to the Board's policy on transfer and cashability of TIAA/CREF accumulations and refer the issue to a priority study group because of the legal and state policy implications of the proposal.

FY 1997 Budget Ceiling Increase

Iowa State University officials requested a net FY 1997 budget ceiling increase of \$3.2 million.

University officials project increases in revenue as follows:

- \$3 million increase in tuition income resulting primarily from higher-than-anticipated non-resident enrollment; and
- \$400,000 additional indirect cost revenues from higher than anticipated grant awards.

The increases are expected to be partially offset by \$200,000 less in interest income due partially to lower cash balances from changes in draw-downs of student loan funds.

The increased revenues will be used as follows:

- \$1.4 million for replacement and expansion of computing equipment and infrastructure;
- \$1.7 million for building repairs and other high priority safety projects; and
- \$100,00 for new student recruitment activities.

FY 1998 Preliminary General Fund Operating Budget

The preliminary FY 1998 general fund operating budget for Iowa State University of \$346,426,156 is \$14,766,448 (4.5 percent) greater than the revised FY 1997 budget.

This budget was developed by the institution based on the Board's and institution's approved strategic plans, the Board's FY 1998 appropriation request to the Governor and General Assembly, and the actions of the Governor and General Assembly.

The FY 1998 direct state appropriations of \$239,029,496 represent an increase of \$11,916,213 (5.2 percent) over the revised FY 1997 state appropriations budget.

The funds are distributed among budget units as follows:

	<u>Total Budget</u>	<u>State Appropriations</u>
General University	\$272,346,300	\$177,616,233
Agriculture Experiment Station	37,715,523	33,861,288
Cooperative Extension	28,831,428	20,676,428
Institute for Physical Research and Technology	4,396,808	4,396,808
Special Purpose Appropriations	<u>3,136,097</u>	<u>2,478,739</u>
Total General Funds	\$346,426,156	\$239,029,496

The university's preliminary FY 1998 operating budget is summarized in Table 1.

The increases to state appropriations include \$9,810,707 for salaries and \$2,105,506 for program initiatives.

Increased state appropriations of \$2.1 million for program initiatives include:

- \$2,055,506 for general university program initiatives and
- \$50,000 to the Institute for Physical Research and Technology (IPRT).

Iowa State University officials estimate internal reallocations of \$6,982,577 for FY 1998 (2 percent) to support initiatives commensurate with the university's six strategic planning goals and to achieve the average 4 percent salary increase goal.

Undergraduate Education	\$2,053,498
Graduate Education & Research	1,657,100
Outreach & Extension Programs	1,175,190
Intellectually Stimulating & Supportive Environment	1,206,967
Information Technology	374,100
Economic Development & Environmental Stewardship	115,722
Salary Improvement for Faculty & Staff	<u>400,000</u>
	\$6,982,577

Other revenues are estimated to increase \$2.6 million for tuition, indirect cost recoveries, and interest in the general university.

The university's commitment to the strategic planning process is reflected in a total of \$24.8 million new and reallocated revenue that will be used for compensation increases and adjustments of \$10.1 million, mandatory cost increases of \$.9 million in the general

university budget, and initiatives of \$13.8 million in accordance with the six goals of ISU's new strategic plan.

The FY 1998 budget includes state appropriations received through other state agencies of \$650,000 for the following:

- \$400,000 for the Animal Odor Control program begun in FY 1997;
- \$200,000 new appropriation to initiate and earthen waste storage structures sites study; and
- \$50,000 new appropriation for private wells and waters testing.

Approximately \$9.8 million of the university's net salary increases are to be funded by direct state appropriations.

Salaries for General Services Staff are mandated by AFSCME collective bargaining and provide a 3% increase July 1, 1997, and merit step increases for eligible employees.

Per state policy, General Services staff not covered by the AFSCME Contract will be treated similarly.

Salary increases for continuing faculty, professional and scientific staff, and graduate assistants will be based on performance and are estimated to average 4% university-wide.

State appropriations for FY 1998 do not include salary adjustments that correspond to federal funds and indirect costs; internal reallocations are needed to compensate.

Half-time graduate assistant monthly stipends will increase 5.6% in the minimum stipend level with no increase in the maximum for FY 1998 for a range of \$950 to \$1,700.

The increased appropriations for hourly wage increases will be added to the hourly wage pool of funds within the various General Fund budget units.

The university's strategic planning initiatives, which are detailed in Table 1, include:

Goal #1: Undergraduate Education -- \$6,239,572. The highest priority of Iowa State's strategic plan is to improve the quality of undergraduate education. Major initiatives that will be undertaken include \$1.7 million for national merit and achievement scholarships, \$743,268 for recruitment and retention initiatives, \$700,000 for restructuring the College of Engineering, and \$663,000 for redirected faculty positions.

Goal #2: Graduate/Professional Education and Research -- \$2,929,444. Commensurate with this strategic plan goal, Iowa State will include \$727,100 for redirected faculty positions/disciplinary effort, \$595,000 for graduate and research support, and \$285,000 for leadership positions in various departments/units.

Goal #3: Outreach Efforts -- \$1,475,245. Major initiatives in outreach and extension will include \$512,300 for personnel and support for technology/initiatives, \$276,800 for leadership positions, and \$241,900 for refocused faculty positions.

Goal #4: Stimulating and Supportive Environment -- \$1,829,517. Iowa State will undertake significant initiatives including \$1.2 million for building repair and facility modernization, \$150,000 for diversity positions in the African American Studies program, and \$100,000 for enhancing human resource services.

Goal #5: Technology and Computation Services -- \$899,100. Major initiatives to be undertaken by Iowa State include \$413,700 for information technology initiatives and \$130,500 for student information services.

Goal #6: Economic Development Initiatives -- \$440,722. Iowa State will expand its technology transfer initiatives and faculty/staff support for economic development including \$250,000 to continue support for ISU to serve as secretariat for the World Food Prize initiative, \$73,000 in support for initiatives, and research projects and \$50,000 for technology transfer.

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President Jischke discussed the preliminary operating budget for Iowa State University for FY 1998. Overall it is an excellent budget that will allow for considerable progress at Iowa State University. He thanked Governor Branstad, the legislature and the Board of Regents for their support for the FY 1998 operating budget as well as their support for the supplemental appropriation and for the capital improvements on campus. He said the budget is a testimony to the ongoing and continued commitment of Iowa to education.

President Jischke reviewed the information provided in Table 1. He said the university received more than a 5 percent increase in state appropriations. The \$18 million increase in the general fund budget equals a 5.4 percent increase. In addition to the increase in state funds, university officials reallocated nearly \$7 million or 2 percent of the budget for total new revenues of \$25 million. He said the new revenues are being targeted toward the highest priority: competitive compensation of faculty and staff. The work of the university is done by these people. Full funding of salary policy will keep the salaries competitive. He alerted the Regents that university officials are beginning to see evidence in selected areas of the university where the salaries are racing ahead at faster than inflationary rates. It tends to be focused in areas either where the university excels and has some of the best people in the country, or in areas where there is an inadequate supply of faculty.

President Jischke discussed the allocations of new revenues and internal reallocations by strategic planning goals. The top priority is undergraduate education. Nearly 45 percent of the new revenues are targeted to undergraduate education. Two issues that university officials will come back to the Board with were 1) mileage reimbursement rates and 2) transfer and cashability of TIAA/CREF accumulations.

Regent Fisher complimented Iowa State University officials on the increased funding for national merit scholarships and for student aid. He then referred to the World Food Prize. He has attended those ceremonies. They are wonderful for Iowa State University and for the state of Iowa. He said he hoped the commitment was long term.

President Jischke said the funding was a gift from the legislature which had not been requested by the university. It is funding in the university's base budget. He said the funding supports a secretariat at the campus who carries out the selection of the laureate for the World Food Prize. About 80 percent (\$200,000) of the funding will go to the World Food Prize Foundation to support the costs of the prize. It was his understanding that the funding was an ongoing commitment by the legislature.

Regent Fisher referred to the new revenues through reallocation and asked from where the funds come. President Jischke responded that the funds come from within the existing budget. He provided the example of a faculty member who retires. That

faculty position could move to a different department within the college. Another example would be the reorganization of work in a particular area which allows for fewer people to get a job done. Those funds could be reallocated to a whole other area. There is a target for all departments to reallocate roughly 2 percent. Proposals are then submitted for how departments would use the money to be reallocated.

Regent Arenson thanked President Jischke for his great leadership and ongoing reallocation efforts. He thanked University of Iowa officials also for focusing resources toward accomplishing goals.

MOTION:

Regent Fisher moved to (1) approve a FY 1997 budget ceiling increase for the general university of \$3.2 million; (2) receive the report on the preliminary FY 1998 general operating budget for Iowa State University in the amount of \$346,426,156; (3) refer the proposed changes in the mileage reimbursement rates to the Board Office for review including consultation with other Regent institutions and state agencies and further development of cost estimates; and (4) defer action on the proposed changes to the Board's policy on transfer and cashability of TIAA/CREF accumulations and refer the issue to a priority study group because of the legal and state policy implications of the proposal. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) University of Northern Iowa. The Board Office recommended the Board (1) approve a FY 1997 budget ceiling increase of \$250,000; (2) disapprove the budget ceiling increase of \$325,000 from life and disability insurance revenues because it is an inappropriate use of such funds and is contrary to the usual method of accounting for such reserves; (3) receive the report on the preliminary FY 1998 general fund operating budget for the University of Northern Iowa in the amount of \$112,356,308; (4) require UNI to reallocate a minimum of 2 percent of the FY 1997 general fund operating budget as required by Board policy; (5) require UNI to develop specific dollar amounts for each of the strategic goals identified on the right side of Table 1, as done by the other universities; and (6) request UNI to review revenue estimates for tuition and fees as well as other revenue sources and revise as necessary for the June budget submission to the Board.

FY 1997 Budget Ceiling Increase

University of Northern Iowa officials requested a budget ceiling increase of \$575,000, which represented a 0.5 percent increase from the original FY 1997 budget of \$107,073,500. University officials project increases in revenues as follows:

- \$150,000 reimbursed indirect costs due to additional outside grant activities
- \$100,000 interest income
- \$325,000 sales and services for disability and life insurance rebate

The insurance rebate of \$325,000 should not be a budget ceiling increase but a deduction to salaries and wages expenditures; the proposed increase to the budget ceiling was inappropriate and should not be approved.

The rebates were deducted from salaries and wages in previous years; the proposed budget ceiling increase represented a change in accounting for identifiable rebates. The change varies from the manner the other universities account for similar rebates which net the rebates against the identified expenditures.

The additional revenue is to be used for fire safety and deferred maintenance projects (\$250,000). The \$325,000 of insurance rebate was targeted for one-time equipment expenditures.

FY 1998 Preliminary General Fund Operating Budget

The FY 1998 preliminary operating budget was \$112,356,308, an increase of \$4,729,984 (4.4 percent) over the revised FY 1997 budget; the budget is summarized in Table 1.

This budget was developed by the institution based on the Board's and institution's approved strategic plans, the Board's FY 1998 appropriation request to the Governor and General Assembly, and the actions of the Governor and General Assembly.

University of Northern Iowa officials identified \$825,000 of internal reallocations (0.7 percent of the University of Northern Iowa preliminary FY 1998 operating budget) toward achievement of the university's primary mission and strategic planning objectives, as listed below.

- These preliminary reallocations are significantly less than FY 1997 reallocations and budget reorganization of \$7 million; for FY 1998, each division has been asked to reallocate at least 2.0 percent to achieve the goals of the strategic plan.
- Additional reallocations are to be identified prior to presentation of the final budget.

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**Summary of University of Northern Iowa Reallocation of Resources
Preliminary FY 1998 General Fund Operating Budget**

Staffing new Wellness Recreation Center	\$325,000
Implementing new telephone system and staffing information technology	<u>500,000</u>
Total	\$825,000

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The state appropriations of \$79,865,195 represented a \$3,782,362 (5.0 percent) net increase over the FY 1997 revised appropriations budget; increases of \$3,430,351 for salary and fringe benefit adjustments and \$698,856 for program initiatives are offset by a \$346,845 decrease for one-time funding.

Increased state appropriations of \$698,856 include:

- \$131,000 for inflationary increases of library acquisitions;
- \$317,145 for facility costs associated with opening the Wellness Recreation Center for academic and recreational activities, which is scheduled for a phased opening with classrooms available beginning Fall 1997 semester;
- \$150,711 to improve technology systems on campus;
- \$50,000 to expand programming and course offerings at the Carroll Campus; and
- 50,000 to expand the activities of the Institute for Decision Making which assists small businesses and communities in the state.

Included in the university's general operating appropriations was \$239,745 for continued operation of the Recycling and Reuse Technology Transfer Center and \$160,000 for continued operation of the Metal Casting Center, which is the same funding as FY 1997.

One-time appropriations for FY 1997 of \$171,845 for Teacher Education Using Technology and \$175,000 for the Criminal Justice Initiative were not included in the university's FY 1998 appropriation.

General fund revenue from tuition and fees was estimated to increase by \$1.1 million (3.9 percent) from the FY 1997 revised tuition and fees budget. The tuition and fees estimate was based on Board approved tuition rate increases, and a projected increase in enrollment of 120 students; Fall 1997 student headcount enrollment is projected at 13,077 as compared to actual Fall 1996 headcount enrollment of 12,957.

FY 1997 tuition collections are expected to exceed the FY 1997 budget; since the Board approved tuition rate increases by 3.9 percent and student enrollment is projected to increase by 0.9 percent, the Board Office believes the tuition and fees estimate should increase by an additional \$300,000. Of the total additional tuition revenue, an estimated \$217,065 will be set aside to supplement student financial aid, maintaining the ratio of student aid to tuition revenue at the current year level of 19 percent.

Tuition funds of \$100,000 were being allocated to building repairs to move the university closer toward a building repairs budget that will equal one percent of estimated building replacement costs.

Other institutional income was budgeted at \$2,055,000 for FY 1998; this amount reflected a \$195,000 decrease (8.7 percent) from the FY 1997 revised budget. Interest income was expected to decline by \$50,000 (16.7 percent) from the FY 1997 revised budget based on historical collections and estimates regarding interest rates and fund balances. Indirect cost recovery revenue was expected to decrease by \$150,000 (15 percent) from the FY 1997 revised budget due to changes in grants and contract activities. Sales and services revenue was budgeted \$5,000 higher (0.5 percent) than the FY 1997 revised budget.

Salary expenditure adjustments totaling \$3.4 million for estimated increases in state salary policy and salary annualization, net of a decrease for one-time bonuses in FY 1997, will be funded from state appropriations.

- Faculty - Individual salary decisions for United Faculty will average 4.0 percent and will be made consistent with the provisions in the Master Agreement.
- Non-contract academic administrators and professional and scientific employees will receive comparable increases.
- General Services - The state negotiated AFSCME contract provides for a 3.0 percent increase July 1, 1997; eligible employees will receive step increases on their anniversary dates.
- Per State salary policy, other Regent General Services employees not covered by the contract will be treated similarly.

Expenditures for building repairs in FY 1998 were expected to decline by \$77,824 (3.7 percent) from the FY 1997 revised budget; the FY 1997 revised budget reflected \$250,000 additional expenditures for fire safety and deferred maintenance projects to be funded from the proposed budget ceiling increase.

Services and supplies expenditures would increase by 217,837 (2.2 percent) over the FY 1997 revised budget.

Equipment expenditures were proposed to decline by \$88,150 (5.3 percent) from the FY 1997 revised equipment budget; the revised FY 1997 budget reflected \$325,000 one-time equipment expenditures to be funded from the proposed budget ceiling increase which was recommended for disapproval.

President Koob offered to add his thanks to those of his colleagues for the state's support of the Regent institutions. He reviewed the information provided in Table 1. He noted that the University of Northern Iowa budget process includes dialogue with faculty. University of Northern Iowa budget discussion can be found on the university's home page. Next month the Regents would be provided with the reallocations from the colleges and departments organized according to strategic planning goals. He said the amount of reallocations will exceed 2 percent.

Mr. Richey stated that the Board Office recommended that University of Northern Iowa officials review revenue estimates for tuition and fees. President Koob responded that university officials have some preliminary registration information. The trend that is happening is consistent with the university's strategic plan. He said the university's graduate enrollment has grown to well over 10 percent of the total enrollments on campus. He explained that an increase in the total number of students does not necessarily mean a corresponding increase in tuition.

Mr. Richey noted that it was to the university's advantage to estimate tuition income as accurately as possible. President Koob responded that this year the university's estimates of tuition income were within \$60,000 of receipts.

President Newlin thanked President Koob for the presentation. He said the Regents looked forward to the university's specific indications of reallocations at next month's meeting.

MOTION:

Regent Fisher moved to (1) approve a FY 1997 budget ceiling increase of \$250,000; (2) disapprove the budget ceiling increase of \$325,000 from life and disability insurance revenues because it is an inappropriate use of such funds and is contrary to the usual method of accounting for such reserves; (3) receive the report on the preliminary FY 1998 general fund operating budget for the University of Northern Iowa in the amount of \$112,356,308; (4) request UNI to reallocate a minimum of 2 percent of the FY 1997 general fund operating budget as required by Board policy; (5) require UNI to develop specific dollar amounts for each of the strategic goals identified on the right side of Table 1, as done by the other universities; and (6) request UNI to review revenue estimates for tuition and fees as well as other revenue sources and revise as

necessary for the June budget submission to the Board. Regent Pellett seconded the motion.
MOTION CARRIED UNANIMOUSLY.

(d) Iowa School for the Deaf. The Board Office recommended the Board (1) receive the report on the preliminary FY 1998 general fund operating budget for the Iowa School for the Deaf in the amount of \$7,551,098 and (2) require the Iowa School for the Deaf to reallocate a minimum of 2 percent of the FY 1997 general fund budget for inclusion in the June budget submission to the Board.

The preliminary FY 1998 general fund operating budget for the Iowa School for the Deaf was \$7,551,098, a \$268,275 (3.7 percent) increase over the revised FY 1997 budget.

Development of Iowa School for the Deaf's budget was based on the Board's and institution's approved strategic plans, the Board's FY 1998 appropriation request to the Governor and General Assembly, and actions of the Governor and General Assembly.

The FY 1998 direct state appropriations for Iowa School for the Deaf total \$7,182,635, a \$278,275 (4.0 percent) increase over the revised FY 1997 state appropriations budget.

Salary adjustment costs of \$247,700 will be funded from state appropriations. The AFSCME negotiated contract provides a 3.0 percent increase effective July 1, 1997, for General Services staff and step increases for those eligible. Other General Services positions not covered by the contract will be treated similarly. Faculty and professional salaries are to increase an average of 4 percent.

The state appropriated funds include \$575 for library collections to help offset inflationary increases for acquisition of library materials, and \$30,000 for vocational education.

An historically determined salary savings/vacancy factor of 0.5 percent was included in the budget development process.

Internal reallocations of \$54,412, which include the salary savings, were developed to address several priorities of the strategic plan, the school improvement plan, and the instructional technology plan, and will be used as follows:

- \$8,412 for continued support of staff development;
- \$30,000 for classroom computers, software and supplies; and
- \$9,000 to offset higher utility costs.

The internal reallocations, excluding salary savings, total \$25,000 (0.3 percent) and were significantly below the Board's requirement of 2 percent minimum reallocations annually.

The FY 1998 budget included state appropriations received through other state agencies of \$115,463 for the following:

- Continued Phase I & II Educational Excellence funding from the Iowa Department of Education of \$65,463;
- New Phase III Educational Excellence funding of \$35,000 from the Iowa Department of Education; and
- \$15,000 for the school technology fund; FY 1998 represents the second year of a five-year program.

A one-time appropriation for technology of \$45,000 received during FY 1997 was not included in the school's FY 1998 appropriations.

The preliminary FY 1998 general operating budget will support:

- Provision of academic and vocational programming to 160 students, pre-kindergarten through twelfth grade, which is designed to meet each child's individual education requirements as specified in their Individual Education Plan (IEP);
- Off-campus and mainstream educational programming in a variety of public school settings for those students whose IEP specifies opportunities for as much interaction with non-disabled peers as is possible and appropriate;
- A "Reverse Mainstream" programming option that permits non-disabled students to receive classroom instruction with deaf and hard of hearing peers on the Iowa School for the Deaf campus, including preschool classes for toddlers of deaf or hard of hearing parents as well as those toddlers who have deaf or hard of hearing siblings, and vocational classes;
- A parent/infant education program serving 15 families, which provides very young children who have hearing difficulties and their families with educational programs in the years before schooling traditionally begins; and
- The Summer Learning Adventure program serving 60 students; the program level components include elementary, middle school, and high school levels, with a cross-departmental multi-handicapped program component.

The Iowa School for the Deaf preliminary FY 1998 operating budget was developed using the school's strategic planning process and included continued extensive efforts to achieve efficiency and effectiveness.

All vacant positions are reviewed by the school's executive council with consideration to reallocation, sharing, or redirection. Emphasis will again be placed on staff development and upgrading of instructional equipment and facilities.

The school's maintenance of buildings and grounds continues to be directed toward more efficient facilities; \$300,000 was proposed for FY 1998 building repairs which matches the FY 1997 estimated budget.

The installation of the Visual Alert system will continue in FY 1998; fire safety issues identified by the State Fire Marshall will be addressed, and the Long Hall roof replacement will be completed.

A second ICN classroom was being funded through special federal grant funding and was expected to be completed during FY 1998.

Transportation Reimbursement

Section 270.9, Code of Iowa mandates that the Board of Regents shall annually establish rates for distribution of the funds appropriated to Iowa School for the Deaf for payments to parents and guardians for student transportation reimbursement. A study is currently underway for determining the FY 1998 student transportation reimbursement policy with recommendations to be presented to the Board in June.

Superintendent Johnson stated that Iowa School for the Deaf officials were appreciative of the support of the Governor, General Assembly and Board of Regents. He reviewed the school's preliminary budget. Some of the Fire Marshall deficiencies noted previously would be addressed. The print shop will be completely redone and computerized. School officials will be addressing Americans with Disabilities Act requirements and deferred maintenance issues. The highest budget priorities are for academic and vocational programs and student life.

President Newlin asked about the school's reallocation activities. Superintendent Johnson responded that school officials will be very specific about what they intend to do. Basically the reallocations will support utilities, staff development and technology.

President Newlin asked that the detail be brought in next month.

MOTION:

Regent Kennedy moved to (1) receive the report on the preliminary FY 1998 general fund operating budget for the Iowa School for the Deaf in the amount of \$7,551,098 and (2) request the Iowa School for the Deaf to reallocate a minimum of 2 percent of the FY 1997 general fund budget for inclusion in the June budget submission to the Board. Regent Fisher seconded the motion.
MOTION CARRIED UNANIMOUSLY.

(e) Iowa Braille and Sight Saving School. The Board Office recommended the Board (1) approve FY 1997 budget ceiling increase of \$12,854 and (2) receive the report on the FY 1998 preliminary general fund operating budget for the Iowa Braille and Sight Saving School in the amount of \$4,316,254.

FY 1997 Budget Ceiling Increase

Iowa Braille and Sight School officials requested a general fund net budget ceiling increase of \$12,854 (.3 percent) for FY 1997. Iowa Braille and Sight Saving School officials project the following changes in FY 1997 revenue:

- A one-time \$30,805 state salary allocation to fully fund a GAAP payroll adjustment;
- \$4,500 increase in interest income for higher than projected cash balances and interest rates;
- A net increase in sales and service revenues of \$16,189 for additional outreach activities with area education agencies (AEAs);
- \$910 increase in reimbursed indirect costs;
- A \$29,386 decrease in federal support related to timing issues and reduced federal expenditures; and
- A decrease of \$10,164 anticipated to be realized from the conversion of health insurance plans.

The additional revenue will be used to cover increased utility costs.

FY 1998 Preliminary General Fund Operating Budget

The FY 1998 preliminary operating budget totals \$4,316,254, a 3.1 percent increase over the revised FY 1997 budget. The FY 1998 Iowa Braille and Sight Saving School budget was based on the Board's and institution's approved strategic plan, the Board's FY 1998 appropriation request to the Governor and General Assembly, and the actions of the Governor and General Assembly.

The FY 1998 direct state appropriations for Iowa Braille and Sight Saving School of \$4,007,331 represented a \$160,975 increase (4.2 percent) over the revised FY 1997 budget.

Internal reallocations of \$94,788 (2 percent) were developed toward achievement of the school's primary mission and strategic planning objectives. The decrease in Worker's Compensation of \$6,500 should not be considered a reallocation. 2.18 FTE merit positions were replaced with 1.80 FTE Professional and Scientific positions enabling reorganization of the facilities department, and replacement of a Houseparent II position with the Residential Programmer position. Organizational Study and Systems of Intervention Training funds of \$10,000 were reallocated to cover the increased cost of maintenance contracts, higher utility costs, and contract services with Grant Wood AEA for speech pathology services.

Salary adjustment costs of \$140,454 will be funded from state appropriations.

- Faculty base salary matrix increased by 3.0 percent with no change to the step or track percentages; step advances are provided on the salary schedule for all eligible faculty with the overall average increase at 4 percent;
- Professional and Scientific salary schedule increased by 3.0 percent; salary increases to be based on merit within the existing pay ranges;
- General Service - The AFSCME negotiated contract provides for a 3.0 percent increase effective July 1, 1997, and step increases for eligible employees.

State appropriated funds include \$521 for library collections to help offset inflationary increases for acquisition of library materials, and \$20,000 for replacement of the accounting system.

The FY 1998 budget included state appropriations received through other state agencies of \$79,137 for the following:

- Continued Phase I & II Educational Excellence funding from the Iowa Department of Education of \$29,137;

- New Phase III Educational Excellence funding of \$35,000 from the Iowa Department of Education; and
- \$15,000 for the school technology fund; FY 1998 represents the second year of a five-year program.

A one-time appropriation for technology of \$45,000 received during FY 1997 was not included in the school's FY 1998 appropriations.

The FY 1998 budget reflected a \$31,385 (29.8 percent) increase in federal support for the reinstatement of \$15,000 for the Preschool Consultant position and funding of the Orientation to the World of Work summer programs.

The \$4,500 increase in interest income for FY 1997 was not expected to again occur in FY 1998 which represented a 25.7 percent decrease from the revised FY 1997 budget.

Sales and services revenue was projected to decline \$25,000 (-19.2 percent) for an expected reduction in services provided to AEAs; an \$11,000 increase in tenant rents was expected to partially offset the decrease.

Iowa Braille and Sight Saving School officials proposed \$57,000 for building repairs which does not incorporate any increases from the revised FY 1997 budget and which is significantly less than FY 1996 actual expenditures.

An historically determined salary savings/vacancy factor of \$14,500 was included in the budget development process, with projected savings budgeted for building repairs.

The preliminary FY 1998 operating budget continues support of the three main educational programs for visually impaired and blind youth from throughout Iowa:

- The daytime instructional program includes all the normal kindergarten through twelfth grade educational programs adapted for visually impaired and blind youngsters.
- The residential program extends the normal school day into the evenings, focusing on daily living skills, recreation, and many other educational activities.
- The outreach program provides numerous specialized support services to visually impaired and blind students who attend school in their local school districts.

The Iowa Braille and Sight Saving School preliminary operating budget was developed using the school's strategic planning process and includes continued extensive efforts to maximize the use of limited resources, including:

- Continued programmatic reorganization of constructing units around student needs, which is a logical continuation of the Individual Education Plan (IEP) process as outlined in the school's Child Advocate Approach;
- Continued targeting of student progress using the Outcomes Accreditation process, with Orientation & Mobility and Communicative Intent as the two initial target areas;
- Continuation of technology initiatives as reflected in the school's Technology Plan to be presented at the May 1997 Board meeting;
- Continuation of the cooperative program with the Vinton-Shellsburg Community schools, wherein students benefit from the opportunity to participate part-time in regular schools; and
- Continued review of possibilities for outsourcing of services, including a contract with Grant Wood AEA for speech-language services, enabling creation of an additional part-time position to support the assessment activities of the school.

Transportation Reimbursement

Section 270.9, Code of Iowa, mandates that the Board of Regents shall annually establish rates for distribution of the funds appropriated to Iowa Braille and Sight Saving School for payments to parents and guardians for student transportation reimbursement. A study is currently underway for determining the FY 1998 transportation reimbursement policy with recommendations to be presented to the Board in June.

Director Woodward expressed Superintendent Thurman's appreciation to the Governor, General Assembly and Board of Regents for their support for the school and for the funding for the upcoming year. She reviewed the preliminary budget for the Iowa Braille and Sight Saving School and described some of the initiatives. School officials continue their efforts to maximize the limited resources. She described the three primary uses of reallocation revenues.

MOTION: Regent Kennedy moved to (1) approve FY 1997 budget ceiling increase of \$12,854 and (2) receive the report on the FY 1998 preliminary general fund operating budget for the Iowa Braille and Sight Saving School in the amount of \$4,316,254. Regent Ahrens seconded the motion. MOTION CARRIED UNANIMOUSLY.

(f) Regional Study Centers. The Board Office recommended the Board receive the report on the FY 1998 preliminary budgets for the Quad-Cities Graduate Study Center (\$338,900), the Tri-State Graduate Study Center (\$133,773) and the Southwest Iowa Regents Resource Center (\$123,138).

Legislative action on the FY 1998 Iowa educational appropriations for the study centers totals \$341,117; in addition, estimated salary appropriations of \$9,213 for the Regional Study Centers will fund an average 4 percent salary increase.

	FY 1997 <u>Approp.</u>	FY 1998 <u>Ed. App.</u>	FY 1998 <u>Est. Salary</u>	Total <u>Est. FY 1998</u>
Quad-Cities Graduate Study Center	\$158,230	\$158,230	\$4,340	\$162,570
Tri-State Graduate Study Center	76,778	76,778	2,420	79,198
Southwest Iowa Regents Resource Center	<u>106,109</u>	<u>106,109</u>	<u>2,453</u>	<u>108,562</u>
TOTAL	\$341,117	\$341,117	\$9,213	\$350,330

The recommendation for distribution of the educational appropriation and salary increase funds will be brought forward for Board approval at its June meeting after the appropriation bills have been signed.

A State of Iowa appropriation is one of the sources of funds for each center's budget.

Quad-Cities Graduate Study Center

The FY 1998 educational appropriation for the Center from the State of Iowa was \$158,230; salary increase funds were estimated at \$4,340.

The Iowa estimated total appropriation of \$162,570 was used to prepare the preliminary FY 1998 budget; the FY 1997 Iowa total appropriation was \$158,230.

The center anticipates receiving \$173,793 from the State of Illinois for FY 1998 and estimates the center's sales and services revenues at \$2,537, for a total budget of \$338,900; this amount was 1.1 percent higher (\$3,700) than the FY 1997 revised budget.

Tri-State Graduate Study Center

The center's FY 1998 educational appropriation from the State of Iowa was \$76,778; salary increase funds were estimated at \$2,420.

The Iowa estimated total appropriation of \$79,198 was used to prepare the preliminary FY 1998 budget; the FY 1997 Iowa total appropriation was \$76,778.

The FY 1998 budget for the center totals \$133,773 and included \$41,200 from the State of Nebraska, \$3,090 from the University of South Dakota, \$3,392 in interest income, and \$6,893 from reserves.

Revenues from the State of Nebraska and the University of South Dakota were estimated to increase 3 percent above FY 1997 levels.

The FY 1998 budget was 8.9% higher (\$10,947) than the FY 1997 revised budget; the budget included a significant increase in funds for equipment (\$9,000) and the second year of a three step salary adjustment for the assistant director.

Southwest Iowa Regents Resource Center

The center's FY 1998 educational appropriation from the State of Iowa was \$106,109; salary increase funds were estimated at \$2,453.

The Iowa estimated total appropriation of \$108,562 was used to prepare the preliminary FY 1998 budget; the FY 1997 Iowa total appropriation was \$106,109.

The FY 1998 appropriation for the center retains the FY 1997 one-time funding of \$20,000 which was used to establish an Internet connection and develop a small computer laboratory adjacent to the ICN room at the Iowa School of the Deaf. The Board's request for FY 1998 included the retention of these funds which will be used to increase to approximately .87 FTE the state-funded positions of the coordinator and secretary.

The center's budget for FY 1998 included \$14,576 from the Regents' Extension and Continuing Education Council; these funds will be used to pay additional costs of the Center, including additional salary moneys so that each of the two employees will be 1.0 FTE.

The center's preliminary FY 1998 budget was 8.2 percent less (-\$11,064) than the FY 1997 revised budget.

ACTION: President Newlin stated the Board received the report on the FY 1998 preliminary budgets for the Quad-Cities Graduate Study Center (\$338,900), the Tri-State Graduate Study Center (\$133,773) and the Southwest Iowa Regents Resource Center (\$123,138), by general consent.

(g) Lakeside Laboratory. The Board Office recommended the Board receive the report on the FY 1998 preliminary operating budget of \$390,148 for the Iowa Lakeside Laboratory, including \$313,388 in general funds to be provided as follows:

University of Iowa	\$155,890
Iowa State University	95,278
University of Northern Iowa	<u>62,220</u>
Total	\$313,388

The FY 1998 preliminary operating budget of \$390,148 for the laboratory included general funds of \$313,388, and room and board revenue and expenses estimated at \$76,760.

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

<u>Institution</u>	<u>Amount</u>	<u>Percentage</u>
University of Iowa	\$155,890	49.7%
Iowa State University	95,278	30.4%
University of Northern Iowa	<u>62,220</u>	<u>19.9%</u>
Total	\$313,388	100.0%

This budget was \$61,393 lower (-16.4 percent) than the FY 1997 general fund base budget, which included \$70,000 in one-time funding for infrastructure improvements.

The FY 98 preliminary budget included \$8,607 to fund summer faculty salary increases at the same rate as faculty salary increases for the academic year. Adjustments for

salary increases for individual professional and scientific, and general service employees of Lakeside Laboratory will need to be incorporated into the budget when these increases are approved.

The Lakeside Laboratory Coordinating Committee selected Dr. Arnold van der Valk, a faculty member, as Director of the Lakeside Laboratory and he assumed this position on July 1, 1994. Dr. van der Valk serves half-time during the academic year and full time for two months during the summer.

Significant progress has been made in all of the approved goals except the one related to distance learning where the lack of a connection to the Iowa Communications Network hampers development.

A detailed report on the plan for the three-year period, which ends June 30, 1997, was scheduled for presentation at the June meeting.

Enrollments at Lakeside Laboratory continue to increase; summer 1997 enrollment was expected to be 155 students.

A new short-term Natural History Week was added to the three regular terms; this new term will enable non-traditional students, including residents of and visitors to the Iowa Great Lakes region, to take advantage of lakeside programs and facilities.

A new joint program with Iowa Lakes Community College to bring high school teachers and their students to lakeside will begin this fiscal year.

A detailed maintenance plan was developed which will take many years to complete; tuckpointing is scheduled for two of the historic fieldstone laboratories during FY 1998.

The new water quality laboratory is the first major capital project in the laboratory's five-year capital plan. In addition to the \$730,000 raised by the Friends of Lakeside Lab., Inc., for construction, they have a pledge of \$200,000 toward an endowment to operate the building when it is completed. During FY 1998 the Friends group will raise funds to equip the new facility.

In March 1995 the Board approved the acquisition, moving and setup of motel buildings from the Brooks Resort to provide improved housing for faculty and staff. Additional housing facilities to be built entirely by housing income are under consideration; these new units will replace obsolete units.

Continued upgrading of living, teaching and laboratory facilities is an on-going priority for the laboratory.

Vice President True stated that for the year just ended, the Lakeside Laboratory enrollments of University of Iowa students were 1/3 of the total enrollments while the University of Iowa supported roughly 50 percent of the budget. He asked that the Board Office consider that factor and make sure the allocations of the operating budget are as equitable as possible.

Mr. Richey stated that the Board Office would review the matter including the history of funding of Lakeside Laboratory and report back next month.

ACTION: President Newlin stated the Board received the report on the FY 1998 preliminary operating budget of \$390,148 for the Iowa Lakeside Laboratory, including \$313,388 in general funds to be provided as presented, by general consent.

(h) Athletic Budgets. The Board Office recommended the Board receive the report on FY 1998 preliminary athletic budgets for the University of Iowa, Iowa State University and the University of Northern Iowa.

University of Iowa

University officials proposed an FY 1998 athletic budget with revenues of \$20,715,500 and expenses of \$20,640,761.

Revenues for FY 1998 were estimated to be 2.6 percent higher than the FY 1997 estimate; expenses were estimated to be 3.1 percent higher than the FY 1997 estimate.

The operating balance (as of June 30) for FY 1997 was estimated at \$180,000; the preliminary budget for FY 1998 included an operating balance of \$74,739.

The net operating earnings will be used to build reserves for use in years when revenues are not as strong as they are estimated to be in FY 1997 and FY 1998.

FY 1998 income from football and men's basketball ticket sales was budgeted to decline slightly (-1.2 percent and -2.3 percent respectively) from FY 1997 estimates; all ticket prices will remain the same as FY 1997.

FY 1998 university general support was budgeted to increase by 30.2 percent from the FY 1997 estimate (from \$723,000 to \$941,000). The additional general fund support will help meet the university's objective of providing more opportunities for women

student-athletes to participate. General funds support women's rowing and soccer, including the scholarship costs for participants.

The university does not have an earmarked student athletic fee for operating expenses.

Student activity fees of \$13.86 per semester, \$6.80 for the summer session, support a portion of the Recreation Building and Arena debt; the sum of \$695,000 in income from these fees was included in the athletic budget along with debt service costs.

FY 1998 Athletic Conference income was projected to decline 10 percent from the FY 1997 estimate, which was \$945,000 or 21.2 percent higher than the FY 1997 budgeted amount. FY 1997 estimated Athletic Conference income is high due to additional bowl appearances by Big Ten Schools; FY 1998 income was budgeted conservatively.

Football and basketball radio income will increase by \$650,000 (260.0 percent) from the FY 1997 estimate as a result of the new radio contract.

General income, including concessions income and scoreboard advertising, will increase by \$260,500 (23.4 percent).

Expenses for FY 1998 for men's sports were budgeted to increase 4.5 percent from the FY 1997 estimate. Expenses for women's sports are expected to increase 8.1 percent from the FY 1997 estimate.

Expenses for the Fifth Year Scholarship program will increase 36.8 percent from the FY 1997 estimate, as more students, primarily women, take advantage of this program.

The FY 1998 budget included handicapped access improvements and several deferred maintenance projects, including repairs to Kinnick Stadium.

Iowa State University

University officials proposed an athletic budget of \$15,975,725 for FY 1998.

This first preliminary budget was based on several estimates that continue to be reviewed and developed; this review may lead to budget adjustments in the second preliminary budget (June) and the final budget (July).

The FY 1998 preliminary budget was 3.7 percent less (-\$605,532) than the FY 1997 estimate; the FY 1997 estimate included Big Twelve revenue from an additional bowl game. The FY 1997 unbudgeted bowl revenue will allow the department to address deferred maintenance projects and to fund an operating reserve.

The proposed FY 1998 budget was part of a five-year financial plan developed in 1995. The sum of \$130,500 of the FY 1994 deficit was repaid in FY 1997, a year earlier than shown on the five-year plan; the remaining deficit will be repaid in FY 1999.

University support was expected to increase from the FY 1997 estimate by \$72,470 (3.3 percent) to a total of \$2,274,594.

The FY 1998 student activity fee for intercollegiate athletics will increase from \$17.25 to \$18.00 per semester and will generate an additional \$39,000; revenue from the fee was projected at \$929,702 in FY 1998.

The total support for intercollegiate athletics from general funds and from earmarked student fees was estimated to be \$3,204,296 for FY 1998.

FY 1998 sports income was expected to increase by \$181,289 or 3.0 percent from the FY 1997 estimate. Revenue from football was projected to decline by 4.7 percent from the FY 1997 estimate while income from basketball was projected to increase by 14.5 percent. The increase in basketball revenue included a \$3 increase in ticket prices (\$15 to \$18) and an 18 home game schedule versus the 19 home games played in the 1996-97 season.

Expenses for sports were budgeted to increase by 2.9 percent or \$102,739 from the FY 1997 estimate. Expenses for academic services were budgeted to increase by 6.3 percent.

The Department of Athletics is committed to Title IX requirements and gender equity principles; expenses for women's basketball were budgeted to increase by 8.2 percent from the FY 1997 estimate with the increase for other women's sports at 5.8 percent.

University of Northern Iowa

University officials proposed an athletic budget of \$5,052,111 for FY 1998.

Revenues were projected at 7.7 percent higher than the FY 1997 estimate.

Sports income was expected to increase by 45.7 percent (\$327,620) from the FY 1997 estimate. Football income reflected a \$125,000 increase in guarantees from FY 1997 and an increase in ticket prices from \$14 to \$16. Income from men's basketball reflected higher gate receipts, including receipts from playing the University of Iowa at home, and increased guarantees.

Income was estimated to increase significantly from other men's sports (67.0 percent) and women's sports (37.0 percent) due to increased support/sales for the rapidly developing women's basketball and baseball programs and the departmental initiative to increase external marketing/sales efforts.

The College Student with ID 50 percent ticket price discount will be eliminated; university officials anticipate increases in the sale of the UNI student all-sport pass and increased full-price gate receipts.

FY 1998 general university support will increase 3.5 percent from the FY 1997 estimate to \$2,280,713.

The FY 1998 student activity fee of \$22.40 per semester, a decrease of \$1.60 per semester from FY 1997, will generate \$541,400 in FY 1998.

The estimated subsidy for intercollegiate athletics in FY 1998 from general funds and earmarked student fees was \$2,822,113.

The projected decrease in general income, -10.9 percent from FY 1997 estimated, reflected the inclusion of program advertising and program sales in the sports income line rather than having these items included in the general income line.

Alumni/Foundation Support was projected to increase 9.5 percent or \$59,000 over the FY 1997 estimate.

Expenses for men's sports were expected to increase by approximately 4.8 percent while expenses for women's sports were projected to increase by approximately 10.1 percent from FY 1997 estimated expenditures. Four women's scholarships were added per the university's gender equity plan.

Mr. Richey stated that this was an informational report; the athletic budgets are included in the university budgets. He noted that the Regents have a priority issue study group that looks at athletics issues over time.

Regent Pellett asked when the Priority Issue Study Group on Intercollegiate Athletics would meet again. Mr. Richey said it depended on when the reports are ready. The athletics study group looks primarily at issues of student progress.

Regent Fisher referred to the University of Iowa athletics budget of roughly \$20.7 million and Iowa State University's athletics budget of roughly \$16 million, and asked if contributions were in addition to those amounts. Were these total budgets with all of the private contributions? Mr. Richey responded that the budget amounts were

supposed to represent the total all-in budgets including general funds, gift funds and earnings.

Vice President True said that was not quite the case at the University of Iowa. A great deal of the fund raising goes toward scholarships. Those funds go directly into financial aid; it does not go through the athletic department and, therefore, is not included in the athletics budget. The bulk of the fund raising which is for scholarships goes directly to the financial aid office. The amount of those funds was about \$2 million.

President Jischke stated that the Iowa State University athletics budget did not include certain income generated through the university foundation. For example, shoe contracts are run through the foundation.

Regent Fisher asked if contributions to the Cyclone Club were included in the athletics budget. President Jischke responded affirmatively.

Mr. Richey asked whether grants-in-aid to athletes were included in the athletics budget. President Jischke responded affirmatively.

Regent Pellett noted that the University of Iowa and Iowa State University athletics budgets differ in how scholarship funds are treated.

Mr. Richey said in the future that information for the three universities would be clearly identified in the Board Office memorandum.

ACTION: President Newlin stated the Board received the report on FY 1998 preliminary athletic budgets for the University of Iowa, Iowa State University and the University of Northern Iowa, by general consent.

(i) Board Office Budget for Fiscal Year 1998. The Board Office recommended the Board receive the preliminary budget proposal for Board Office for fiscal year 1998.

The preliminary general office budget was based on the approved state salary policy and included selected elements as recommended by the MGT firm for the Board.

The total increase in the Board Office proper budget over fiscal year 1997 was 22.4 percent.

The proposed salary budget was up 2.5 percent for the general office (not including a proposed Associate Director of Information Systems as recommended by MGT in the total amount of \$78,800 including support expenses).

Other operating expenditures were essentially doubled (\$250,000) over estimated expenditures for the current year because of the provision of funding for the computerization of the office recommended by MGT in the amount of \$250,000.

Other operating expenditures including travel for the Board of Regents and the Board Office were budgeted at the same level as anticipated expenditures for fiscal year 1997.

The amount of appropriations available for the support of the Board Office was up only .6 percent or about \$8,000 because of a \$41,000 reduction for unspecified purposes by the General Assembly. The net increase of \$8,000 in appropriations was contrasted with the cost of salary adjustments alone of \$45,800.

Because of the reduction of \$41,000 in state appropriations and the proposed increases for computer equipment and a systems position, the shortfall will need to be made up by institutional contributions. Total institutional contributions to the Board Office budget would increase by approximately \$385,000 to fund the computerization equipment, the systems position, the legislative cut of \$41,000 and the estimated salary increase for the Facilities Officer.

A proposed budget for the Eisenhower Program (Title II) could not be developed at this time because of the lack of knowledge about the availability of federal funds.

The total proposed preliminary budget presented amounted to \$1,883,000, exclusive of the Eisenhower Program, a net increase of \$387,000.

Further changes in the proposed preliminary budget will be presented to the Board in June and will take into consideration the estimated costs of consultants to follow up to several of the recommendations of MGT as proposed by the Organizational Audit Oversight Study Group.

The preliminary budget for fiscal year 1998 will need to be adjusted further in June to reflect the cost of the search for an Executive Director and associated costs.

Mr. Richey stated that the Board had taken action the previous day relative to the MGT recommendation for consultants and for hardware and software for the Board Office. It also took action on the systems position for the office. He said the rest of the preliminary Board Office budget was based on the expenditure levels for the current year. The figures would be refined in some depth for the June meeting.

ACTION: President Newlin stated the Board received the preliminary budget proposal for Board Office for fiscal year 1998, by general consent.

BOARD OFFICE PERSONNEL TRANSACTIONS. The Board Office reported that there were no transactions this month on its Register of Personnel Transactions.

RESIDENCY APPEAL. The Board Office recommended that the Board of Regents deny the appeal.

A student at the University of Iowa requested the Board hear an appeal of the student's residency status for tuition purposes.

The request for appeal was reviewed by the Regents' Residency Review Committee and that committee recommended that the request for appeal be denied.

The Board Office concurred with the committee and requested that the Board deny the appeal.

Mr. Richey stated that the Board members had been provided with a confidential file on this appeal.

MOTION: Regent Arenson moved to deny the appeal.
Regent Ahrens seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

Regent Pellett asked to be provided with written information on how residency is determined. Mr. Richey responded that Regents policy on residency is in accordance with Chapter 262 of the Code of Iowa. The Board has rules and a list of interpretations of the rules. The Board Office will send the information to all of the Regents.

APPOINTMENTS TO COMMITTEES AND ORGANIZATIONS. The Board Office recommended the Board ratify the appointments to committees, study groups and organizations as presented.

BANKING COMMITTEE

Ellengray Kennedy, Chair
James Arenson
David Fisher
Roger Lande
Owen J. Newlin

TERM EXPIRES

April 30, 2000
April 30, 2000
April 30, 2000
April 30, 2000
April 30, 2000

GENERAL
May 21-22, 1997

IOWA COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION

Ellengray Kennedy	July 31, 1998
Nancy Pellett	July 31, 1998
David Fisher	July 31, 1998
Lisa Ahrens (Alternate to David Fisher)	July 31, 1998
Clarkson Kelly (Alternate to Nancy Pellett)	July 31, 1998
Roger Lande (Alternate to Ellengray Kennedy)	July 31, 1998

IOWA PUBLIC BROADCASTING BOARD

Betty Jean Furgerson	June 30, 2000
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IOWA CENTENNIAL MEMORIAL FOUNDATION

Owen J. Newlin	Statutory
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IOWA STATE UNIVERSITY RESEARCH FOUNDATION BOARD OF DIRECTORS

Clarkson Kelly	April 30, 2000
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IOWA STATE UNIVERSITY FOUNDATION BOARD OF DIRECTORS

Owen J. Newlin (by virtue of Articles of Incorporation)

IOWA STATE UNIVERSITY MEMORIAL UNION BOARD OF DIRECTORS

Lisa Ahrens June 30, 1998

UNIVERSITY OF IOWA RESEARCH FOUNDATION

James Arenson Sept. 30, 1998

UNIVERSITY OF NORTHERN IOWA FOUNDATION BOARD OF TRUSTEES

Beverly Smith April 30, 1998

STUDENT LOAN LIQUIDITY CORPORATION (Three Year Terms)

John McDonald (Board of Regent Designee) June 30, 1999
R. Wayne Richey (Governor's appointment) June 30, 1998

IOWA COLLEGE STUDENT AID COMMISSION (ICSAC)

R. Wayne Richey June 30, 1999

EDUCATIONAL TELECOMMUNICATIONS COUNCIL

Marcia Bankirer, Member June 30, 1998
Robert Barak, Member June 30, 2000
Emmet Vaughan, Alternate June 30, 1998
Richard Varn, Alternate June 30, 2000

PRIORITY ISSUE STUDY GROUPS

- | | | |
|----|--|------------------|
| 1. | <u>Intercollegiate Athletics Study Group</u>
Lande (Lead)
Newlin
Pellett
Smith | Lande
Pellett |
| 2. | <u>Hospital and Clinical Enterprise Liaison</u>
Newlin (Lead) (by virtue of office)
Richey (by virtue of office) | |
| 3. | <u>Affirmative Action Study Group</u>
Smith (Lead)
Ahrens
Arenson
Pellett | |
| 4. | <u>Child Care Study Group</u>
Fisher (Lead) | |

Kelly
Kennedy
Smith

5. Information Systems Technology
Study Group

Arenson (Lead)
Fisher
Kennedy
Smith

6. Employee Health Insurance
Study Group

Pellett (Lead)
Ahrens
Fisher
Kennedy

7. Graduation Rates Study Group

Kelly (Lead)
Ahrens
Pellett
Smith

8. Organizational Audit Oversight
Study Group

Newlin (Lead)
Arenson
Kennedy
Lande

CORRECTED

GENERAL
May 21-22, 1997

MOTION: Regent Ahrens moved to ratify the appointments to committees, study groups and organizations as presented. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

TECHNICAL AMENDMENT TO REGENT POLICY ON A DRUG-FREE ENVIRONMENT AND CONTROLLED SUBSTANCES. The Board Office recommended the Board approve the following technical amendment to the Policy on a Drug-Free Environment and Controlled Substances in the Board of Regents Procedural Guide:

4.38 Policy on a Drug-Free Environment and Controlled Substances

It is the policy of the Board of Regents to provide for a drug-free workplace and learning environment for students and employees of Regent institutions and the employees of the Board Office. The unlawful possession, use or distribution of controlled substances by students and employees on property owned or leased by a Regent institution or in conjunction with a sponsored activity of an institution governed by the Board of Regents is strictly prohibited.

When the Drug-Free Environment and Controlled Substances Policy was approved by the Board in 1994, reference to employees of the Board Office was inadvertently omitted.

The policy as stated above will appear in the Procedural Guide when it is revised.

MOTION: Regent Arenson moved to approve the technical amendment to the Policy on a Drug-Free Environment and Controlled Substances in the Board of Regents Procedural Guide, as presented. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

June 18-19, 1997	Lakeside Laboratory	Okoboji
July 22-23, 1997	Iowa State University	Ames
September 9-10, 1997	University of Northern Iowa	Cedar Falls
October 15-16, 1997	University of Iowa	Iowa City

CORRECTED

GENERAL
May 21-22, 1997

November 18-19, 1997	Iowa State University	Ames
December 17-18, 1997	West Des Moines Marriott Hotel	West Des Moines
January 14, 1998	Telephonic Conference Call	
February 18-19, 1998	University of Iowa	Iowa City
March 18-19, 1998	Iowa State University	Ames
April 14, 1998	Iowa Braille and Sight Saving School	Vinton
April 15, 1998	University of Northern Iowa	Cedar Falls
May 20-21, 1998	Iowa School for the Deaf	Council Bluffs
June 16-17, 1998	University of Iowa	Iowa City
July 15-16, 1998	Iowa State University	Ames
September 23-24, 1998	University of Iowa	Iowa City
October 21-22, 1998	University of Northern Iowa	Cedar Falls
November 18-19, 1998	Iowa State University	Ames
December 3, 1998	(To be determined)	Des Moines

ACTION: The Board meetings schedule was approved, by consent.

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

CORRECTED

GENERAL
May 21-22, 1997

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday and Thursday, May 21 and 22, 1997.

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

Register of Personnel Changes for March and April 1997

ACTION: President Newlin stated the Board ratified personnel transactions, as presented, by general consent.

NAME CHANGE: PH.D. DEGREE IN SPEECH PATHOLOGY AND AUDIOLOGY TO PH.D. IN SPEECH AND HEARING SCIENCE. The Board Office recommended the Board refer the proposed name change to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The change would be in name only and would involve no programmatic changes. The change in name would better describe the programs of many of the doctoral students which are not related to the study of disorders of speech, language, and hearing. The new title is more descriptive of the scientific study of both normal and disordered processes of speech and hearing according to the University. The new title should improve student job recruitment efforts.

There are no financial implications of this proposal.

ACTION: This matter was referred by consent.

NEW DEGREE PROGRAM: PH.D. IN SOCIAL WORK. The Board Office recommended the Board refer the request to establish a Ph.D. in Social Work at the University of Iowa to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation.

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University of Iowa officials requested approval to offer the Ph.D. in Social Work. At the present time, the university offers master's and bachelor's degrees in the field of social work. The program, if approved, will be the only social work doctoral program in the state.

The proposed program is consistent with the mission of the University of Iowa. The program would provide opportunities for many persons in Iowa who formerly had to leave Iowa to pursue an advanced degree in social work.

University officials believe that the proposed program will enrich the experiences of students enrolled in the master's and bachelor's level programs by providing teaching assistants, many with experience in the field, by having available numerous colloquia and seminars, and the presence of the doctoral program may attract higher quality students in the master's and bachelor's programs.

Estimated enrollment in the proposed program ranges from 4 students the first year to 16 students in five years.

University officials expect job opportunities to be good. Graduates from the program could have opportunities to serve as faculty in the 13 undergraduate social work programs in the state, and could serve in policy, practice, and research positions in state agencies and in similar positions nationally.

The University of Iowa already has in place most, if not all, of the major educational resources needed to mount this program as most are already needed for the accredited undergraduate and master's programs in social work. The proposed program meets national standards for social work as well as for graduate work as established by the U.S. Council for Graduate Schools.

University officials estimate the incremental costs for the proposed program for the first three years to be under \$140,000 total. The majority of these incremental costs will come from outside sources. University officials have not yet made the commitment to fund the program in the event that this outside funding is not forthcoming or as it may end in future years.

ACTION: This matter was referred by consent.

COURSE CHANGES. The Board Office recommended the Board refer the proposed course changes at the University of Iowa to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation.

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University of Iowa officials submitted its list of proposed course changes for approval by the Board of Regents.

The proposed course changes include 384 new courses, 232 courses to be dropped, 122 course title changes, and 98 semester hour changes.

The proposed changes in course offerings represent the continuing response of the university to the changing educational needs of the University of Iowa students, changing disciplinary emphases, and the vitality of the faculty according to the university.

The course changes were consistent with the need for continual review curricula in order to provide students with the most relevant and logical educational experiences. The proposed course changes did not include any new programs of study.

ACTION: This matter was referred by consent.

UNIVERSITY CALENDAR. The Board Office recommended the Board approve the proposed academic calendars for 1997-98, 1998-99, 1999-00, 2000-01, and 2001-02 for the University of Iowa.

The Council on Teaching approved the five-year university academic calendar.

The instructional days recommended were consistent with past Board-approved practices.

The holidays recommended for observance were consistent with state holiday scheduling.

The Board of Regents approved the university academic calendar through the summer session of 2001 in May of 1996.

ACTION: This matter was approved by consent.

STRATEGIC PLANNING UPDATE. The Board Office recommended the Board (1) receive the report and presentation by President Coleman and (2) endorse the progress indicators and targets presented in the report as valid and substantive demonstrations of the university's commitment to achieve the goals of its strategic plan.

University of Iowa officials developed and attached quantitative targets to most of the progress indicators that were presented to the Board in December 1996 as part of University of Iowa's strategic plan, *Achieving Distinction 2000*.

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These targets provide quantitative, measurable criteria against which to assess the university's annual progress in achieving the goals of its strategic plan.

University of Iowa officials identified quantitative targets for each of the seven goals in its plan. For some goals university officials identified additional performance indicators that are not tied to any specific quantitative target but which can provide evidence of relative progress that are useful in tracking the institution's direction and rate of improvement.

The quantitative targeted indicators are listed under each goal in the following chart.

Indicator	Target
Goal 1: Comprehensive Strength in Undergraduate Programs	
% of students graduating in 4, 5, 6 yrs	<i>increase 4-yr grad rate from 32.6% to 40%</i>
# of National Merit Scholars & high school valedictorians in freshman class	<i>increase NMS from 24 to 50 increase valedictorians from 123 to 160</i>
participation by undergrads in scholarship/creative activity & individual development programs	<i>increase students in honors program from 3130 to 3500 increase students in study abroad programs from 323 to 500 increase students in cooperative education from 959 to 1200</i>
% by discipline of UG credit hours taught by tenured/tenure-track faculty	<i>increase from 56.3% to 60%</i>
% of senior tenured faculty who teach at least 1 UG course per year	<i>increase from 75% to 80%</i>
classrooms with access to computers and multimedia presentation equipment	<i>increase from 22 to 100</i>
Goal 2: Premier Graduate & Professional Programs in a Significant Number of Areas	
quality of entering students	<i>raise GRE composite score from 100 points above national mean to 130 pts above mean increase mean GPA of entering students from 3.28 to 3.35</i>
program competitiveness ratio of applications to admits to accepts	
time-to-completion of grad degrees	<i>decrease median time for Ph.D. completion from 7.8 to 7.0 years</i>

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Goal 3: A Faculty of National and International Distinction	
# of faculty with prestigious awards	<i>increase members in national academies from 12 to 20 increase high-prestige national awards from 43 to 50 increase members on national peer review boards from 150 to 170</i>
Goal 4: Distinguished Research and Scholarship	
external research funding	<i>increase external research funding from \$198 million to \$250 million</i>
# of proposals submitted & % awarded	<i>increase proposals from 2427 to 3000 per year increase from 27.6% to 33%</i>
% faculty with external research support	<i>increase annual publication index in all disciplines by 15% (1 per faculty member)</i>
# of faculty publications and citations relative to national average in discipline	<i>increase annual citation index by 10% (3.5 additional citations per faculty member)</i>
# of intellectual property disclosures	<i>increase from 74 to 90 each year</i>
Goal 5: A Culturally Diverse and Inclusive University Community	
retention statistics for underrepresented students, faculty, & staff	<i>minority student representation from 9.2% to 12% minority faculty from 11.3% to 13% minority merit staff from 4.6% to 5.3% minority P&S staff from 4.6% to 5.5% female faculty from 22.2% to 25% female administrators from 29.6% to 32%</i>
Goal 6: Strong Ties between the University and External Constituencies	
annual private support to UI Foundation	<i>increase annual contributors from 44,000 to 50,000</i>
non-degree enrollments on- & off-campus	<i>increase from 2448 to 2800</i>
off-campus cultural programming via ICN	<i>increase ICN sites served by Hancher auditorium programs from 0 to 30</i>
annual patient visits to UI health science centers	<i>increase annual patient visits from 701,900 to 750,000</i>
monthly news citations of UI activities	<i>increase mean monthly citations from 74 to 85 (national print media) and from 51 to 60 (national broadcast media)</i>

Goal 7: A High-Quality Academic and Working Environment	
annual campus safety statistics	<i>rank in top 4 among 17 peer institutions for each of ten campus community safety stats (currently in top 4 for only 5 of 10 stats)</i>
annual building renewal statistics	<i>eliminate deferred maintenance by raising renewal funding norm from 0.623% to 1%</i>
annual faculty/staff development opportunities	<i>increase staff participating in professional development programs from 2907 to 3900 increase faculty development opportunities from 124 to 150 increase faculty participating in technology-based teaching initiative from 0 to 300</i>

President Coleman presented an update on the University of Iowa's strategic plan. She provided the Regents with ancillary written materials and discussed the non-targeted "progress" indicators. She stated that last year another of the University of Iowa's faculty members was recognized as a Howard Hughes fellow. The artificial blood product developed at the University of Iowa has received its final approval. She discussed the Mary Jo Small fellowship that was designed last year.

Regent Arenson commended university officials on the enormous effort that went into identifying the targets and indicators of progress for the university's strategic plan. He looked forward to the university attaining its goals.

President Newlin expressed appreciation for the booklet which had been distributed at the beginning of President Coleman's presentation. He said it was fabulous. He thanked President Coleman, Provost Whitmore and Associate Provost Folkins for their good work on this effort.

ACTION: President Newlin stated the Board, by general consent, (1) received the report and presentation by President Coleman and (2) endorsed the progress indicators and targets presented in the report as valid and substantive demonstrations of the university's commitment to achieve the goals of its strategic plan.

POST-TENURE EFFORT ALLOCATION POLICY. The Board Office recommended the Board (1) receive the report and (2) approve the University of Iowa's new Post-Tenure Effort Allocation Policy.

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University of Iowa officials developed a new "Post-Tenure Effort Allocation Policy" that permits tenured professors to establish individualized portfolios of responsibilities for limited and defined periods of time. A portfolio is a negotiated agreement between a faculty member and his/her department that specifies workload expectations and performance standards that vary from the norm applied to other faculty.

These portfolios are designed to assist tenured faculty in making maximum contributions to the university's mission through tailored duties that match an individual's current interests, skills, and expertise.

An individualized portfolio must be consistent with the University of Iowa strategic plan and must advance the teaching, research, or service mission of the appropriate academic unit or of the university.

Only tenured faculty are eligible to develop an individualized portfolio, which may be initiated by either the faculty member or the relevant departmental executive officer (DEO) and is negotiated between them. The appropriate college dean or the provost must approve a portfolio before it is implemented.

An individualized portfolio is valid for a maximum of two years, although renewal of negotiated terms is permitted.

The University of Iowa's new policy was debated and approved at all appropriate levels of institutional governance.

Provost Whitmore introduced the former President of the University of Iowa Faculty Senate, Sheldon Kurtz.

Professor Kurtz described the post-tenure effort allocation policy and the process that had taken place in its development. He stated that under this policy, all faculty within each unit of the university will allocate their work effort among teaching, research and scholarship in accordance with either unit norms adopted by the faculty of the unit or, alternatively, pursuant to individualized portfolios. The use of individualized portfolios should assure that as tenured faculty member's strengths and interests change over their post-tenure work life, their efforts will be effectively utilized to take account of those strengths and interests. By limiting individual portfolios to two years, with renewals possible, the policy reflects the faculty's eternal commitment to the principle that at a major research institution, the bulk of one's time over one's aggregate post-tenure work life should be devoted to both teaching and generating scholarship--the two highly interrelated twins of the learning process. He said the policy provides that regardless of how a faculty member's responsibilities are distributed among teaching,

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research and service, the faculty member is expected to perform those responsibilities to a high standard of excellence. In his judgment, the promise of portfolios, and particularly individualized portfolios, to improve the overall quality of the university will only be fulfilled if faculty believe the principle of equivalent merit among teaching, research and services is being adhered to.

Professor Kurtz stated that he had enjoyed the opportunity to work with the Board during the time he was Faculty Senate President. He expressed the University of Iowa faculty's appreciation for the Regents' service to the state of Iowa, their support for the Regent institutions and their ongoing, constant commitment to quality higher education in Iowa.

Regent Arenson stated that this policy may be one of the most important accomplishments of the year. It was a significant achievement and a prime example of the dedication of faculty.

President Newlin said he would categorize Professor Kurtz's efforts with regard to the development of this policy as Herculean.

MOTION: Regent Ahrens moved to (1) receive the report and (2) approve the University of Iowa's new Post-Tenure Effort Allocation Policy. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

ADMINISTRATIVE REORGANIZATION. The Board Office recommended the Board approve the proposed administrative reorganization.

University of Iowa officials proposed additional administrative reorganization in the Office of the Provost to further implement the thrust of changes already approved by the Board in the reorganization of the health sciences and student affairs in February 1997.

In February, the Board approved the administrative reorganization that included a new internal governance structure, the Health Sciences Center (HSC) and changes in the internal governance of student services and academic support services.

The approved changes in the HSC included a shift of a significant portion of the responsibilities formerly assigned to the Office of the Vice President for Health Sciences to be assumed by the Office of the Provost. These changes included:

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- The deans of all four health sciences colleges, in their capacity as collegiate academic officers, should report to the Provost as the institution's chief academic officer;
- The Health Sciences Policy Council (HSPC) should be chaired by the Provost; and
- A new senior staff position should be created in the Office of the Provost. This individual should staff the HSPC and advise the Provost on academic HSC matters.

The reinstated position of Vice President for Student Services resulted in a number of administrative units such as Student Activities, the Iowa Memorial Union, Admissions, Student Aid, etc., being shifted away from the Office of the Provost and under the new Vice President.

In the proposed structure two new positions will be established in the Office of the Provost, an Associate Provost for Health Sciences and a Vice Provost.

The Associate Provost for Health Sciences will essentially serve as the Provost's liaison to the HSPC and advise the Provost on HSC matters.

The new position of Vice Provost elevates and expands the level of the position with responsibilities for coordinating strategic planning, academic reviews, and budget processes in order to ensure that these and related processes are integrated. This position will also develop strategies to improve the Office of the Provost.

The additional costs associated with these administrative changes will come from reallocation of the budget from the former Office of the Vice President for Health Sciences.

In addition to the above changes resulting from earlier administrative actions, it was proposed that several existing positions in the Office of the Provost be re-named. These changes include, the position of Associate Provost for Opportunity Iowa to Associate Provost for Diversity; the position of Dean of the Graduate College to Associate Provost for Graduate Education and Dean of the Graduate College; and the position of Associate Provost for Academic Review and Academic Support Services to Associate Provost for Undergraduate Education.

The Office of Institutional Data will be renamed the Office of Information and Resource Management.

Provost Whitmore reviewed the proposed administrative reorganization with the Regents.

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Regent Arenson asked if the vice provost position was a new position. Provost Whitmore responded affirmatively. He said the position would be responsible for oversight of the strategic planning process, the program review process, alignment of the university budget with the strategic plan, and quality assessment of the individual units.

Regent Arenson asked for the members of the Health Sciences Policy Council. Provost Whitmore responded that the four health sciences deans, the director of the University of Iowa Hospitals and Clinics and the director of the State Hygienic Laboratory composed the Health Sciences Policy Council. The council addresses academic matters. He noted that the UIHC has a major academic function in addition to its primary function of patient care.

Regent Arenson commended university officials for their great efforts with the administrative reorganization.

MOTION: Regent Fisher moved to approve the proposed administrative reorganization. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

FACULTY GRIEVANCE PROCEDURES. The Board Office recommended the Board approve amendments to the faculty grievance procedures of the University of Iowa.

In June 1995, a committee was appointed to review the existing faculty dispute procedures and to recommend changes to those procedures. This committee was charged the additional duty to draft grievance procedures for faculty in the clinical track.

The Faculty Senate endorsed the proposed changes during the Fall 1996 semester. President Coleman endorsed the proposal in March 1997 and forwarded the proposal to the Board of Regents for approval.

The proposal amends section 20.260 through 20.268 of the University of Iowa Procedures Manual that concerns internal governance procedures affecting the grievance process. The proposal amends general governance structures affecting the grievance processes and four existing procedures: tenure and promotion disputes, administrative action grievances, ethics charges, and unfitness charges. The proposal creates a procedure to adjudicate clinical faculty retention and promotion disputes.

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The proposals of the University of Iowa reduce confusion and effect a feeling of consistency among these procedures. The proposals preserve the rights of both parties to a complaint. The right of the President to lead the institution is preserved. The right of redress from final institutional actions to the Board of Regents is preserved for faculty.

The faculty and central administration have come to agreement on important issues of governance.

MOTION: Regent Arenson moved to approve amendments to the faculty grievance procedures of the University of Iowa. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended (1) that the Register of Capital Improvement Business Transactions for the University of Iowa be approved and (2) that the Executive Director be authorized to approve amendments with Brooks Borg and Skiles and change orders with Mid-America Construction Company of Iowa to reflect additional services resulting from the substitution of fixed equipment for some movable furnishings for the Levitt Center for University Advancement project.

PERMISSION TO PROCEED WITH PROJECT PLANNING

University Hospitals and Clinics--DeGowin Blood Center Relocation

University officials requested permission to proceed with project planning and the architectural selection process for the development of 21,000 square feet of space on the second floor of the General Hospital to house the DeGowin Blood Center. The DeGowin Blood Center is presently located in 7,200 square feet of space on the first floor of the General Hospital. The Blood Center consists of the Department of Pathology transfusion service laboratory, blood bank, blood donor center and patient therapy unit.

The primary users of the Blood Center's services include the inpatient care units and operating room suite. These units have been relocated to new facilities within University Hospitals and are now a considerable distance from the Blood Center. This physical distance creates delays in providing the patient care units with life-sustaining blood products and results in operational inefficiencies and impaired productivity. Additional space is also needed for the Blood Center to accommodate new technology for collecting and processing blood products and new therapeutic procedures for

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treating patients utilizing these blood products. Increased demand for these services has resulted in the need for significantly more space than exists in the Blood Center's current location.

This project will remodel approximately 21,000 gross square feet of space in the Department of Ophthalmology Clinic's former space on the second floor of the General Hospital. The space will be developed into patient and donor phlebotomy and treatment units, and laboratories and staff support facilities required for the efficient operation of the Blood Center. The project will also include upgrading the space to meet contemporary life safety and building codes and installation of new mechanical and electrical systems.

The estimated construction cost for this project is \$2.3 million. Cost figures will be further developed and refined as planning proceeds. The project will be funded by University Hospitals Building Usage Funds.

PROJECT DESCRIPTIONS AND BUDGETS

Campus Fiber Optic Network

University officials requested approval of project descriptions and budgets for Projects 14 and 15 to be funded by Telecommunications Revenue Bonds or a combination of Income from Treasurer's Temporary Investments and Telecommunications Improvement and Replacement Funds.

Campus Fiber Optic Network--Project 14 \$980,000

<u>Preliminary Budget</u>	
Construction	\$ 835,000
Design, Inspection and Administration	
Consultants	67,000
Design/Construction Services	8,000
Contingency	<u>70,000</u>
 TOTAL	 <u>\$ 980,000</u>

Project 14 will provide for the installation of fiber optic cable and termination equipment in a portion of the campus ductbank system. The installation will take place in the near west area of campus bounded by Riverside Drive, Melrose Avenue, Hawkins Drive and Grand Avenue. The project will also include the installation and termination of fiber optic cable

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on the Oakdale Campus and will provide for connection to the Iowa Communications Network.

Campus Fiber Optic Network--Project 15 \$1,169,000

Preliminary Budget

Construction	\$ 916,565
Design, Inspection and Administration	
Consultants	168,077
Design/Construction Services	39,358
Contingency	<u>45,000</u>
 TOTAL	 <u>\$ 1,169,000</u>

Project 15 will provide for the installation of copper and fiber optic media and system support equipment within Schaeffer Hall, 700 South Clinton Street (which will house the State Archaeologist and Broadcasting Services), Macbride Hall and the Biology Building.

The project will also include supplemental work and equipment installation in Calvin Hall, the Eckstein Medical Research Building, Jefferson Building, Jessup Hall, Oakdale Hall and Seashore Hall. The work in these buildings will complete the fiber optic installation begun in Project 10.

Van Allen Hall--Accelerator Tower--Raze Building \$291,000

Source of Funds: Income from Treasurer's Temporary Investments
or Building Renewal Funds

Preliminary Budget

Construction	\$ 231,500
Design, Inspection and Administration	
Consultant	24,500
Design/Construction Services	11,100
Contingencies	<u>23,900</u>
 TOTAL	 <u>\$ 291,000</u>

University officials requested approval of a project description and budget in the amount of \$291,000 to raze the tower. The accelerator tower is an eight story masonry structure consisting of 3,513 gross square feet. The tower was constructed in 1964 to house

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University Advancement to house the University of Iowa Foundation, University of Iowa Alumni Association and Division of Alumni Records and Services. The Levitt Center is being constructed at the southeast corner of Park Road and Riverside Drive northwest of Hancher Auditorium. The project is funded by Center for University Advancement Revenue Bonds sold in April 1995 and gifts to the University of Iowa Foundation. The construction project is approximately 60 percent complete with a scheduled completion date of December 1997 and occupancy within a few months of that date.

University officials requested approval of a revised project budget in the amount of \$20,952,000, an increase of \$2,126,000. The increase was largely attributable to the inclusion of fixed equipment and related interior construction into the project budget. These additions are the result of the foundation's decision to substitute built-in workstations for some movable furnishings.

The previous project budget for the Levitt Center did not provide for furnishing and equipping the building. The furnishings, which included movable equipment, were to be purchased directly by the foundation. The foundation has elected to substitute built-in workstations for movable partitions in a number of locations within the building, resulting in the incorporation of funds for the fixed equipment into the construction budget. The cost for the foundation to use built-in workstations produces a concomitant reduction in the cost for movable furnishings and equipment.

Of the \$2,126,000 increase in the project budget, it was estimated that \$1,726,000 would be used for fixed equipment and the related interior construction. Work will include custom cabinetry, interior wall and window treatments, base building modifications, data and communications wiring, light fixtures and wiring, and construction management fees.

The revised project budget also included items unrelated to furnishings and equipment. Included were a number of completed construction modifications requested by the foundation and an allowance for other changes that will be needed to complete the project. The total budget increase for this work was estimated at \$400,000 and included general electrical and lighting modifications, structural steel revisions to accommodate rotunda design changes, exterior panel finish revisions, construction of fiber optic routing pathways and HVAC system modifications.

To ensure that construction of the interior finishes and built-in workstations is completed consistently with work included in the base construction contract it is necessary to have the work completed by and/or coordinated by the general contractor, Mid-America Construction Company. University officials proposed to accomplish this through negotiated change orders for approximately \$600,000. The change orders will provide

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for construction management and coordination costs for the interior finish work awarded either by public bid or purchase order contracts to other contractors (estimated at \$258,000). The change orders will also include installation costs for case work acquired through purchase order (estimated at \$200,000) and installation of drywall for open workstations (estimated at \$123,000). Each of these amounts was approximate and will be negotiated with Mid-America Construction Company. University officials requested that the Executive Director be authorized to approve the change orders upon conclusion of negotiations.

In October 1996 the university received approval to enter into an agreement with the project architects, Brooks Borg and Skiles, to provide interior design services for the building. University officials proposed to adjust this agreement to reflect additional design services resulting from the addition of the fixed workstations. It was anticipated that the dollar amount of the agreement would need to be increased by approximately \$400,000. University officials requested that the Executive Director be authorized to approve the amendments when this amount has been negotiated.

Darrell Wyrick, President of the University of Iowa Foundation, provided an update on the project, its implications for the foundation, and related fund raising efforts. Mr. Wyrick discussed the history of the Regents' involvement with this project and how similar building projects are financed with private gifts through the foundation.

Regent Arenson asked for an estimate to refurbish the space being vacated. Mr. Wyrick estimated it would take \$3 million to \$4 million to do the job right and to possibly build an addition to the auditorium.

Regent Arenson questioned whether the space would be usable prior to refurbishing. Mr. Wyrick responded that the space could be used for offices but not for galleries.

Regent Pellett asked whether the funds for the refurbishing would be university money or foundation money. Mr. Wyrick responded that it would be financed by both entities but mostly by the foundation.

MOTION: Regent Arenson moved to approve the revised budget for the Levitt Center for University Advancement. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

Trowbridge Hall--Correct Fire Safety Deficiencies

June 1996 Budget \$463,000
May 1997 Budget \$516,000

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Project Budget

	Initial Budget <u>June 1996</u>	Revised Budget <u>May 1997</u>
Construction	\$ 365,500	\$ 403,750
Design, Inspection, Administration		
Consultants	40,700	40,700
Architect/Engineering Services	19,500	24,500
Contingencies	<u>37,300</u>	<u>47,050</u>
TOTAL	<u>\$ 463,000</u>	<u>\$ 516,000</u>
Source of Funds:		
Building Renewal Funds or Income from Treasurer's Temp. Invest.	\$ 463,000	
Building Renewal Funds	<u>0</u>	<u>\$ 516,000</u>
TOTAL	<u>\$ 463,000</u>	<u>\$ 516,000</u>

University officials requested approval of a revised project budget in the amount of \$516,000, an increase of \$53,000, which reflected an increase in the project scope. The project will now include asbestos abatement as well as patching and painting of the main building hallway. The revised budget also reflected complexities not anticipated in the initial project budget resulting from carrying out the work while the building is occupied.

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Carver-Hawkeye Arena--Install Rigging

Source of Funds: Income from Treasurer's Temporary Investments with
Reimbursements from Student Administrative Services

February 1997 Budget \$245,000

May 1997 Budget \$285,000

Project Budget

	Initial Budget <u>Feb. 1997</u>	Revised Budget <u>May 1997</u>
Construction	\$ 190,000	\$ 230,000
Design, Inspection, Administration		
Consultants	30,680	30,680
Architect/Engineering Services	9,320	9,320
Contingencies	<u>15,000</u>	<u>15,000</u>
TOTAL	<u>\$ 245,000</u>	<u>\$ 285,000</u>

University officials requested approval of a revised project budget in the amount of \$285,000, an increase of \$40,000, to allow award of the construction contract to the low bidder. The project will include installation of a continuous structural steel framework at the height of the existing catwalk system. The result will be a working platform and anchoring device for rigging cables. The project will also install necessary safety lines and correct speaker support deficiencies.

Two bids were received for the project on April 3, 1997. The low bid exceeded the engineering estimate by approximately 15 percent. University officials attribute the high bids to the bidders' assessment of the difficulty of relocating existing sprinkler lines and electrical conduit. In addition, the project scope was increased to include a permanent life safety line at a cost of \$16,500. University officials do not believe that re-bidding the project would result in the receipt of more favorable bids.

The total project cost will be reimbursed by Student Administrative Services. It is anticipated that these funds will be provided by revenues from the Student Commission on Programming and Entertainment (SCOPE), which programs concerts in Carver-Hawkeye Arena. The additional rigging will be utilized primarily for SCOPE events. The reimbursements to the project were estimated at \$50,000 per year.

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

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ARCHITECT/ENGINEER AGREEMENTS

700 South Clinton Street--Remodel for State Archaeologist and
Broadcasting Services \$72,500
OPN Architects, Cedar Rapids, Iowa

University officials requested approval to enter into an agreement with OPN Architects to provide design services for the project. Services to be provided include design development, construction documents, and assigned involvement in bidding and construction inspection. The agreement provides for a fee of \$72,500, including reimbursables, which represents 9.4 percent of the construction budget.

Lindquist Center--Relocate Campus Video System Portion of
Broadcasting Services \$54,780
Data Center Design and Development Corporation, Palatine, IL

University officials requested approval to enter into an agreement with Data Center Design and Development Corporation to provide design services for the project. The agreement will provide for design development, construction documents, and bidding and construction inspection services. The agreement provides for a fee of \$54,780, including reimbursables, which represents 16.4 percent of the construction budget.

Engineering Building Modernization/Addition \$51,829
Alvine and Associates, Omaha, NE

University officials requested approval to enter into an agreement with Alvine and Associates to provide site utility design services which are not included as part of the agreement with Neumann Monson. The agreement provides for a fee of \$51,829, including reimbursables.

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Van Allen Hall--Accelerator Tower--Raze Building \$22,950
Shive-Hattery, Iowa City, IA

University officials requests approval to enter into an agreement with Shive-Hattery to provide design services for the project. The agreement provides for a fee of \$22,950, including reimbursables, which represents 9.9 percent of the construction budget.

Amendments:

Campus Fiber Optic Network--Project 6 \$7,970
MIS Labs, Watertown, WI

Pharmacy Building--Replace Galvanized Piping \$4,555
ZBA, Iowa City, IA

CONSTRUCTION CONTRACTS

Carver-Hawkeye Arena--Install Rigging \$218,575
Award to: McComas-Lacina Construction Company, Iowa City, IA
(2 bids received)

University officials requested award of the construction contract to the low bidder, McComas-Lacina Construction Company, in the amount of \$218,575.

Campus Fiber Optic Network--Project 8, Near West, North and South \$452,000.00
Campus, Construction of Ductbank and Entrance Facilities--
Contract No. 6, Exterior Ductbank
Award to: Hurst and Sons Contractors, Waterloo, Iowa
(4 bids received)

Bowen Science Building--Remodel Core 1-500 \$350,500.00
Award to: Apex Construction Company, Iowa City, Iowa
(5 bids received)

Medical Laboratories--Remodel Rooms 339 and 340A \$298,721.00
Award to: Selzer-Werderitsch Construction Company, Iowa City, Iowa
(6 bids received)

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Schaeffer Hall--Remodeling and Renewal--
Telecommunications Package \$20,810.12
Award to: Computer Cable Connection, Urbandale, Iowa
(2 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Medical Laboratories--HVAC and Building Upgrade--Phase III--Mechanical Room
Equipment
Bowker Mechanical Contractors, Cedar Rapids, Iowa

University Hospitals and Clinics--Emergency Generator Room Fire Suppression System
Grinnell Fire Protection Systems Company, Omaha, NE

MOTION: Regent Arenson moved (1) that the Register of Capital Improvement Business Transactions for the University of Iowa be approved and (2) that the Executive Director be authorized to approve amendments with Brooks Borg and Skiles and change orders with Mid-America Construction Company of Iowa to reflect additional services resulting from the substitution of fixed equipment for some movable furnishings for the Levitt Center for University Advancement project. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

LEASE OF PROPERTY. The Board Office recommended the Board approve the leases, as presented.

University officials requested approval of its tenant property rates for FY 1998 which included rate increases for 30 of the 52 rental units ranging from 1.7 percent to 16.7 percent for all but one unit.

University officials requested approval to new lease agreements as lessor with the following tenants for business incubator space in the Technology Innovation Center at the Oakdale Campus:

- With Breakthrough, Inc., for its use of 5,769 square feet of space at the rate of \$8,009.83 per month (\$18.75 per square foot for 4,952 square feet of office

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space and \$4 per square foot for 817 square feet of storage space, \$96,117.96 per year) for a one-year period; and

- With Police Law Institute for its use of 1,504 square feet of space at the rate of \$1,880 per month (\$15 per square foot, \$22,560 per year) for a one-year period.

University officials requested approval to enter into a lease as lessee with University of Iowa Community Medical Services, Inc., for the university's use of a 3,700 square foot facility located in North Liberty, Iowa, for the university's Outreach Dialysis Program at the rate of \$4,471 per month (\$14.50 per square foot, \$53,652 per year) for a five-year period.

University officials requested approval of an amendment to its lease as lessee with Keokuk County Health Center for the university's use of office space located in Sigourney, Iowa, increasing the space to 7,100 square feet at the rate of \$2,573 per month (\$4.35 per square foot, \$30,876 per year) through the remainder of the lease term, November 30, 1998.

University officials requested approval of a revised lease term for its lease as lessee with Finley Tri-States Health Group, Dubuque, Iowa, to reflect the actual occupancy of the space by the university.

MOTION:

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

AYE: Ahrens, Arenson, Fisher, Kelly, Kennedy, Lande, Newlin, Pellett, Smith.

NAY: None.

ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

MEETING OF IOWA STATE BOARD OF REGENTS AS THE BOARD OF TRUSTEES OF THE UNIVERSITY OF IOWA HOSPITALS AND CLINICS. The Board Office recommended the Board (1) receive the report on the University of Iowa Hospitals and Clinics (UIHC) and (2) approve the University of Iowa National Laboratory for the Study of Rural Telemedicine.

The agenda for the meeting consisted of the following topics:

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- Quarterly Update on UIHC Operations, Programs, and Finances
- Preliminary Operating Budgets and Rate Increases for the University of Iowa Statewide Health Service Units
- Update on Medicaid Educational Trust Fund
- University of Iowa National Laboratory for the Study of Rural Telemedicine

UIHC officials requested approval for the University of Iowa National Laboratory for the Study of Rural Telemedicine.

President Coleman stated the university was in the middle of a multi-year effort to reduce the base costs of the University of Iowa Hospitals and Clinics. This year hospital officials put a new process in place to involve staff in the process of making those decisions.

Director Howell stated that the operating activity had curtailed slightly during the third quarter of the fiscal year. UIHC continues to feel the growing influence of managed care.

Mr. Yerington reviewed the operating financial measures as of March 31, 1997. He noted that the operating financial measures were presented on an accrual basis in accordance with an audit by KPMG Peat Marwick. Net revenues year to date were up 2.1 percent.

President Newlin recognized Brent Siegrist, house majority leader, who was in attendance at the meeting. On behalf of the Board of Regents, President Newlin expressed appreciation to Representative Siegrist as well as the other legislative leaders for the way the Board of Regents was treated relative to appropriations and legislation during this past session.

Regent Arenson said it appeared that the reimbursement rates had declined while patient complexity had increased. Mr. Yerington stated that the Medicaid reimbursement was down as a result of the improvement in Iowa's economy and Iowa's efforts at welfare reform as reported in the Wall Street Journal.

Mr. Yerington noted that 10 percent to 12 percent of the patients come from Illinois. He said managed care revenues were up 2.9 percent. It is becoming more and more difficult for hospital officials to negotiate payment rates that cover educationally-related costs. Operating expenses were up only 0.8 percent. Bad debts were up 12.4 percent which reflected the self pay revenue increase under the accrual system.

Regent Arenson asked whether the line item for bad debts included any accrual.

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Mr. Yerington responded that it did include the accrual.

Regent Arenson questioned whether that meant that the actual bad debts may not be as high as reflected at this time. Mr. Yerington said that was correct.

Regent Arenson asked how much workers compensation was included in that amount. Mr. Yerington responded that workers compensation accounted for about 1/3 of the self pay and other revenues. He noted that the large amount of interest expense (1379.9 percent) was an accounting artifact.

Regent Arenson asked how much of the bad debt was new accrual. Mr. Yerington said it would be about \$14 million to \$15 million by the end of the year.

Mr. Staley discussed the operating statistical measures. Total admissions for the nine months of the fiscal year were 30,955 with acute patients accounting for 12,276 of those admissions. The numbers reflect adoption of a change in bed categories. He described the three types of patients which are now included in the category of admitted outpatient. The admitted outpatient category has continued to grow. The average length of patient stay across the country is falling, which is also the case at the UIHC. With regard to specialty inpatient care units census, he said there has been a continued increase in the number of patients seen in those specialty care units. UIHC has continued to see a growth in the case mix index.

Regent Arenson asked if the trend of growth in the case mix index was expected to continue. Mr. Staley responded affirmatively.

Mr. Staley reviewed the Medicare case mix analysis comparisons, clinic patient census data, patient care outreach data, managed care patient volume, and phased capital replacement plan summary.

Mr. Haynie discussed the 1997-98 preliminary operating budgets and rate increases for the University of Iowa statewide health service units.

Mr. Richey asked that in the future UIHC officials include a section in the report on the building usage fund.

Mr. Howell presented an update on the educationally-related cost trust fund. He said he was pleased to report that the innovative legislation to create the trust fund had been passed by the Iowa General Assembly. The legislation is the first of its kind in the U.S. He publicly thanked Governor Branstad, Commissioner Palmer, the Iowa Legislature and each of the Regents. He stated that Mr. Richey's support for this effort was critical

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to its success. Mr. Richey's leadership at certain junctures assured the success of this effort. He thanked Mr. Richey for his good work.

Mr. Howell introduced Dean Borg to begin the presentation on the University of Iowa National Laboratory for the Study of Rural Telemedicine.

Mr. Borg stated that this would be an interactive session (which took place in the Iowa Communications Network room of the Iowa School for the Deaf). He introduced Dr. Michael Kienzle.

Dr. Kienzle gave a presentation on the University of Iowa National Laboratory for the Study of Rural Telemedicine which included: a history and description of telemedicine, telemedicine applications, the purpose of the University of Iowa's telemedicine program, federal contracts, rural telemedicine lab, telemedicine resource center, telemedicine network, telemedicine subprojects, rural academic partnerships, challenges to telemedicine, lessons learned, and the future of telemedicine at the University of Iowa.

Regent Pellett asked about plans for expansion in western Iowa. What does it take for a hospital to participate? Would it include Iowa Communications Network hook up in the hospital?

Dr. Kienzle said the initial development of a network has largely been defined by the ability to maintain a research and development network. The University of Iowa owns and operates all of the equipment as part of its research and development contract. The network includes locations which can be driven to in a reasonable period of time. He said a hospital would need a good, reliable Internet access. The University of Iowa uses the Iowa Communications Network for its T-1 connections. He stated that over time the Internet will be a major part of health care delivery. In western Iowa platforms need to be found that would not require moment-to-moment availability of technical personnel.

Regent Kennedy asked Dr. Kienzle to elaborate on the challenge of interstate licensure and standardization. Dr. Kienzle responded that licensure of physicians is done on a state-by-state basis. The issue has become what the licensure requirements would be for a physician to practice telemedicine with a patient in another state. National licensure for telemedicine is one option. The state medical licensure board feels it needs to maintain control of anyone seeing patients in the state.

Regent Arenson asked for what purpose a physician in Ottumwa, for example, would use the telemedicine capabilities. Dr. Kienzle stated that in Ottumwa there are clinical information work stations throughout the entire hospital in locations where it enhances work flow. If a physician has a question about a patient, the physician can check the

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Virtual Hospital by walking up to a work station and retrieving the information. If a physician desires interactive video consultation either for second opinions or tough cases that can also be done within the local hospital. Another area of interest for physicians is assistance in emergency situations.

Dean Borg stated that consultation takes place on pediatric cardiology patients in conjunction with Blank Children's Hospital in Des Moines.

Dr. Kienzle said he was so encouraged by how well that interaction works that similar kinds of outreach are being tried at a couple of other locations.

Regent Fisher asked about the cost for local hospitals to be set up electronically to the Iowa Communications Network. Dr. Kienzle said there was no cost to the hospitals related to UIHC as research and development collaborators. For other hospitals that would wish to be hooked up to do applications such as interactive video the start-up cost would be approximately \$50,000 to \$75,000 with additional ongoing expenses for monthly telecommunications charges.

Regent Fisher asked whether the costs would be reduced for a community hospital if there is ICN capability at a local school and the hospital is near to the school.

Dr. Kienzle responded that there are many options available in Iowa. One would be a direct connection to the Iowa Communications Network. It is advantageous to use the Iowa Communications Network as a backbone and then to lease certain lines from the point of presence to the hospital. Doing so allows switching back and forth between the direct connection, dial up, ISDN, and T-1s. It is a good idea to have a lot of flexibility. Any Iowa hospital with an Iowa Communications Network connection in the community could consider such an arrangement.

Regent Pellett asked about coordinating satellite technology with the fiber optic network. Dr. Kienzle stated that the University of Iowa Hospitals and Clinics utilized satellite technology early on in its long-distance education experience. He provided the example of a faculty member who recently had wanted to participate in a program being held on an island off the coast of Japan. The faculty member could not attend in person to give his presentation. Since satellite technology is expensive, a telephone-based connection was devised to the location in Japan much more cost effectively than satellite technology.

Regent Pellett stated that some of the smaller community hospitals have found the cost of a fiber optic network hook up from the local school to the hospital to be expensive. Many hospitals have compensated by going to private resources with direct connections

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over telephone lines. Physicians are able to get emergency radiology consultations, for example, using an emergency room telephone.

Dr. Kienzle stated that one of the concerns about some of the proprietary networks springing up is the issue of intra-operability and standards. Some of the networks cannot talk to one another. University of Iowa officials have tried to work very collaboratively to adopt a standard dial-up ISDN for most of its communications. He said that has worked quite well especially with the Iowa Department of Corrections. He hopes that over time they will be able to develop a platform that is very affordable regardless of the size of the hospital.

President Newlin asked Director Barak to comment about the classroom in which this presentation was being held. Director Barak stated that the classroom was a typical Iowa Communications Network classroom although it met more than the minimum standards. There are 400 Iowa Communications Network sites within the state but not all had the level of equipment that was contained in this room. All are supposed to have the set-up for the instructor to control. Additional in this room was fax capability for the instructor to provide hand outs to the students.

President Newlin thanked Director Howell, Mr. Borg and Dr. Kienzle for the presentation.

ACTION: President Newlin stated the Board (1) received the report on the University of Iowa Hospitals and Clinics and (2) approved the University of Iowa National Laboratory for the Study of Rural Telemedicine, by general consent.

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

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IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday and Thursday, May 21-22, 1997.

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

Register of Personnel Changes for April 1997 which included four requests for early retirement and five requests for phased retirement.

ACTION: President Newlin stated the Board approved the personnel transactions, as presented, by general consent.

APPROVAL OF FACULTY SENATE BY-LAW CHANGES. The Board Office recommended the Board approve amendments to the Iowa State University Faculty Senate By-laws.

Iowa State University officials requested approval of amendments to the ISU Faculty Senate By-laws, all of which are procedures for the internal operation of the Faculty Senate.

In its governing documents, the ISU Faculty Senate proposed to change the title of "vice-president" to "president-elect" to provide smoother transition and continuity of leadership on its governing board. The proposed change in title would occur in several places within the By-laws. The president-elect will serve a one-year term without vote on the Faculty Senate before succeeding to the presidency. In absence of the president, the president-elect would fulfill duties of the president.

The Faculty Senate proposed to change the timing of elections to choose a president-elect at the January meeting, a secretary and the council chairs by the March meeting, and collegiate representatives to its governing councils by its April meeting.

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Nominations will be received at the meeting preceding the election. Additional nominations are possible from the floor at the time of the election.

All balloting will continue to be by written ballot.

In the event that more than two individuals are nominated for an office, the election procedure would continue until a candidate receives a simple majority vote of members present. After the initial ballot, the candidate with the fewest votes would be eliminated on each successive ballot.

Newly-elected officers, council chairs, council members, and senators will take office after completion of old business during the May meeting of the Faculty Senate.

Two other amendments to the By-laws address the election procedures for senators.

In the first, the Council on Faculty Governance would report to the Senate in December of each year a proposed schedule for the elections that would include a listing of the departmental and collegiate seats to be filled by election. Current practice is to receive a report without a listing of open seats in January.

The second amendment would declare the seat held by the newly-chosen president-elect open for an unexpired term so that faculty from the appropriate department or college could fill the vacancy in time to seat a new senator at the May meeting. The second amendment contains language that does not count service as president or president-elect toward eligibility for service in the Faculty Senate.

All amendments were approved by the Faculty Senate and submitted to the General Faculty, who approved the recommendations in November 1996.

MOTION: Regent Fisher moved to approve amendments to the Iowa State University Faculty Senate By-laws. Regent Arenson seconded the motion. MOTION CARRIED UNANIMOUSLY.

ACCEPTANCE OF POST-AUDIT REPORT. The Board Office recommended the Board refer the post-audit report for the Major in Advertising at Iowa State University to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation.

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Iowa State University officials submitted a post-audit review of the Advertising major. Board policy requires all new programs to be reviewed five years after initial approval to ensure that the program has met the objectives set for the program.

The Advertising major enrollments are much less than originally anticipated for this program. The estimates made at the time the program was proposed were for 230 to 240 majors per year. Actual enrollments have been about half of that in recent years. There have however been a large number of non-majors participating in Advertising.

University officials indicated that the rigor of the program has resulted in many students opting to take advertising courses but to major in other fields of study.

Most program graduates who pursue employment have been able to secure jobs in advertising or a related field.

The Department of Journalism, which includes the Advertising major, is fully accredited.

Expenses for the program were consistent with those projected for the program at the time of its initial approval both of which are negligible.

ACTION: This matter was referred by consent.

APPROVAL OF GRADUATE MAJOR. The Board Office recommended the Board refer the request for a new Master of Science major named Agronomy at Iowa State University to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation.

Iowa State University officials requested approval of a new Master of Science major named Agronomy to be delivered to "non-traditional" students using multimedia technology over an asynchronous network. Information traditionally delivered to students via lecture will, instead, be delivered through interactive courseware.

The program is designed to meet the educational needs of working professionals in an agronomy-related field who desire additional training for career advancement.

The proposed program is non-duplicative as no other institution in the state offers this program, or even anything in this general field of study.

It was estimated that approximately 30 students will be enrolled per year once the program is established. This estimate was based on a market survey conducted in 1995 to assess potential interest in a professional M.S. Degree offered at a distance.

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University officials anticipate that funding for this program will amount to \$329,150 from anticipated external grants. If funded, the grant will provide all development and operating expenses of the program for a period of five years. After that period, university officials indicate that the program should be able to recoup all additional operating costs through tuition paid by students enrolled in the program.

ACTION: This matter was referred by consent.

APPROVAL OF DISCONTINUATION OF GRADUATE MAJOR. The Board Office recommended the Board refer the request to discontinue the Master of Engineering in Industrial Engineering at Iowa State University to the Board Office and the Interinstitutional Committee on Educational Coordination for review and recommendation.

Iowa State University officials requested approval to discontinue the Master of Engineering major in Industrial Engineering consistent with Board policy that requires Board approval of all discontinued programs.

The reasons for discontinuation of this program include the fact that the majority of graduate students are interested in the Master of Science (M.S.) degree and university officials proposed to offer a non-thesis option for the M.S. degree which would continue to provide students with a non-thesis graduate degree.

Discontinuation of the current Master of Engineering in Industrial Engineering and the addition of a non-thesis option for the M.S. degree would make the Industrial Engineering offerings similar to those in other departments in the College of Engineering.

Consistent with Board policy, all currently-enrolled students in this program will be allowed to complete the degree or transfer to the non-thesis option. All course work is available for the current students to complete their degree.

No additional staff and no additional expenses will be incurred in order to maintain program quality during the phase-out. Phase-out of the program would provide no additional funds to be saved or redirected. Phase-out would have no impact or effect on the programs offered by Iowa State University. Discontinuance of this degree would not free up any facilities, equipment, faculty time, etc.

ACTION: This matter was referred by consent.

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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

Reiman Gardens--Phase 2

\$475,000

Source of Funds: ISU Foundation

Preliminary Budget

Construction Costs	\$ 358,200
Professional Fees	77,750
Utility Extensions	1,000
Project Reserve	<u>38,050</u>
 TOTAL	 <u>\$ 475,000</u>

University officials requested approval of a project description and budget in the amount of \$475,000 for Phase 2 of the Reiman Gardens project. The Master Plan for the Reiman Gardens, which was presented to the Board in September 1993, included future garden projects to be undertaken as funds are available. This includes the Wetland Garden and the Children's Garden which will be constructed in Phase 2 of the Reiman Gardens project.

The Wetland Garden portion of the project will consist of grading a storm drainage ditch which separates the stadium parking lot from the garden site and planting the area as a wetland garden. The Children's Garden will be designed to provide various play and educational activities in a setting which depicts Iowa's agricultural landscape.

The Phase 2 project will be funded by additional gifts to the ISU Foundation.

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The Knoll--Handicap Accessibility Improvements
\$330,000

<u>Preliminary Budget</u>	
Construction Costs	\$ 217,500
Professional Fees	54,700
Utility Extensions	20,000
Project Reserve	<u>37,800</u>
TOTAL	<u>\$ 330,000</u>
Source of Funds:	
General University Funds	\$ 245,000
ISU Foundation	<u>85,000</u>
TOTAL	<u>\$ 330,000</u>

University officials requested approval of a project description and budget in the amount of \$330,000 to provide handicap accessibility improvements to the main floor of The Knoll, the residence of the university president. The university has undertaken a feasibility study to identify long-term improvements to The Knoll to maintain and enhance its use for public service functions. These functions have become a vital part of the university's outreach, donor, and community initiatives; approximately 9,000 visitors attended receptions, dinners and other functions at The Knoll last year.

The feasibility study identified several areas for improvements and suggested a phased approach for implementation of these projects as funds are available. University officials wish to proceed with the first project which will provide accessibility in compliance with the Americans with Disabilities Act through reconstruction of the main entry vestibule and construction of an exterior ramp. The project will also provide a new parking area for approximately 14 vehicles near the main entrance. These modifications will primarily address visitor accessibility and will not significantly impact the private living space of the university president and his family.

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Ag 450 Farm--Swine Finishing Building
\$240,000

Preliminary Budget

Construction Costs	\$ 212,400
Professional Fees	10,600
Movable Equipment	5,000
Project Reserve	<u>12,000</u>
TOTAL	<u>\$ 240,000</u>
Source of Funds:	
Master Lease	\$ 170,000
Ag 450 Farm Reserves	<u>70,000</u>
TOTAL	<u>\$ 240,000</u>

University officials requested approval of a project description and budget in the amount of \$240,000 to construct a 1,200 head swine finishing building on the Ag 450 Farm located south of the City of Ames. The building will consist of 10,650 square feet of space and will replace the existing open-front facility which is deteriorated and outdated.

University officials proposed to finance \$170,000 of the project cost through the Board's master lease program with lease payments from farm revenues. Master lease financing for the project was subject to approval of the Banking Committee.

Parks Library--Skylight and Roof Section H Replacement
\$250,000

Source of Funds: Building Repairs

Preliminary Budget

Construction Costs	\$ 200,500
Professional Fees	22,500
Project Reserve	<u>27,000</u>
TOTAL	<u>\$ 250,000</u>

University officials requested approval of a project description and budget in the amount of \$250,000 to replace the skylight and roof area over the original portion of the Parks

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Library building which was constructed in 1925. The roof over this area of the library was replaced in 1973 and has experienced several failures resulting in damage to the periodical room. The skylight was installed with the original building construction and is in need of replacement. The single pane construction of the skylight and its advanced age have caused water to penetrate the building envelope. This has resulted in damage to the decorative plaster ceiling and threatens the existing Grant Wood murals in the building. In addition, this area of the library will house the ISU mural created for the State of Iowa sesquicentennial which creates an additional need to ensure the integrity of the building.

Lagomarcino Hall--Basement Water Infiltration Correction

Feb. 1995 Budget

\$575,000

May 1997 Budget

\$575,000

Project Budget

	Initial Budget <u>Feb. 1995</u>	Amended Budget <u>May 1997</u>
Construction Costs	\$ 471,000	\$ 466,970
Professional Fees	70,000	81,101
Utility Extensions	3,000	15,000
Project Reserve	<u>31,000</u>	<u>11,929</u>
TOTAL	<u>\$ 575,000</u>	<u>\$ 575,000</u>
Source of Funds:		
Facilities Overhead Use Allowance	\$ 575,000	\$ 406,247
General University Funds	<u>0</u>	<u>168,753</u>
TOTAL	<u>\$ 575,000</u>	<u>\$ 575,000</u>

University officials requested approval of an amended project budget which reflected the addition of \$168,753 in General University Funds with a corresponding reduction in Facilities Overhead Use Allowance. This adjustment will allow the university to utilize remaining General University Funds for FY 1997.

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Bessey Hall--Richard W. Pohl Conservatory--Renovation

November 1996 Budget

\$700,000

May 1997 Budget

\$700,000

Project Budget

	Initial Budget <u>Nov. 1996</u>	Amended Budget <u>May 1997</u>
Construction Costs	\$ 619,500	\$ 619,500
Professional Fees	48,000	48,000
Project Reserve	<u>32,500</u>	<u>32,500</u>
TOTAL	<u>\$ 700,000</u>	<u>\$ 700,000</u>
Source of Funds:		
National Science Foundation Grant	\$ 350,000	\$ 350,000
Facilities Overhead Use Allowance	350,000	290,000
General University Funds	0	40,000
Agricultural Experiment Station	<u>0</u>	<u>20,000</u>
TOTAL	<u>\$ 700,000</u>	<u>\$ 700,000</u>

University officials requested approval of an amended project budget which reflected the addition of funding from General University Funds and the Agricultural Experiment Station totaling \$60,000, with a corresponding reduction in Facilities Overhead Use Allowance. This adjustment reflects a reallocation of university fund sources which will allow the university to utilize remaining FY 1997 funds while maintaining a match of the National Science Foundation grant.

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Library Storage Building/Administrative Services Facilities Office Building
September 1996 Budget
\$6,370,000
May 1997 Budget
\$6,370,000

Project Budget

	Revised Budget <u>Sept. 1996</u>	Amended Budget <u>May 1997</u>
Construction Costs	\$ 4,680,400	\$ 4,581,347
Professional Fees	492,350	573,597
Utility Extensions	630,000	628,081
Fixed Equipment	200,000	325,000
Project Reserve	<u>367,250</u>	<u>261,975</u>
TOTAL	<u>\$ 6,370,000</u>	<u>\$ 6,370,000</u>
Source of Funds:		
Income from Treasurer's		
Temporary Investments	\$ 3,050,000	\$ 2,985,076
General University Funds	1,750,000	1,814,924
Facilities Overhead Use Allowance	820,000	820,000
Parking System	400,000	400,000
Telecomm. Improve. & Exten. Fund	<u>350,000</u>	<u>350,000</u>
TOTAL	<u>\$ 6,370,000</u>	<u>\$ 6,370,000</u>

University officials requested approval of an amended project budget which reflected an increase in general university funds of \$64,924 with a corresponding reduction in Income from Treasurer's Temporary Investments. This adjustment will allow the university to utilize remaining General University Funds for FY 1997 while reducing its obligation of Income from Treasurer's Temporary Investment funds.

* * * * *

University officials presented 10 projects with budgets of less than \$250,000 for Board ratification. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university.

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ARCHITECT/ENGINEER AGREEMENTS

The Knoll--Handicap Accessibility Improvements

\$33,000

Baldwin White Architects, Des Moines, Iowa

University officials requested approval to enter into an agreement with Baldwin White Architects to provide design services for the project. The agreement provides for a fee of \$33,000, including reimbursables, which represented 16.5 percent of the construction budget.

Student Health Center

\$8,000

Baldwin White Architects, Des Moines, Iowa

CONSTRUCTION CONTRACTS

Fire Safety Improvements FY 1997--Industrial Education Building 1

\$31,500

Award to: HPC, L.L.C., Ames, Iowa

(2 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Bilsland Swine Breeding Farm--Renovate Facilities--Phase 1

Finishing Building and Farrowing/Nursery Building

Sorem Sales, Nevada, Iowa

Intensive Livestock Research and Instruction Facilities (Bid Package No. 23)

Longfellow Drilling, Clearfield, Iowa

FINAL REPORTS

Fire Safety Improvements--FY 1991

\$2,344,295.10

MOTION:

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

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

University officials requested approval to renew its lease as lessee with Loran Simpson for the university's use of 24,887 square feet of storage and research space located in Ames, Iowa, for a two-year period at the rate of \$5,164.05 per month (\$2.49 per square foot, \$61,968.60 per year) for the first 12 months and increasing to \$5,682.53 per month (\$2.74 per square foot, \$68,190.36 per year) for the remainder of the lease term.

University officials requested approval to renew its Memorial Union Memorandums of Agreement for FY 1998 with the Iowa State University Book Store, the Administrative Data Processing Department, and the University Copy Center.

University officials requested approval of a revision to the cooperative agreement for transit services between Iowa State University, the Government of the Student Body of Iowa State University, and the City of Ames, revising the Transit Board's budget adoption date from December 31 to January 21 of each year.

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

MOTION CARRIED UNANIMOUSLY.

1997-98 PARKING RATES. The Board Office recommended that the Board give final approval to Iowa State University 1997-98 parking rates as shown below:

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ISU PROPOSED FY 1997-98 PARKING RATES

<u>Parking Rates</u> (Annual Rate Basis)	<u>Current</u> FY 97	<u>Proposed</u> FY 98	<u>Percent</u> <u>Increase</u>
24-hour Reserved	\$500	\$520	4.0%
Reserved	250	260	4.0%
General	50	52	4.0%
Motorcycle (staff)	15	16	6.7%
Department	200	208	4.0%
Vendor	75	78	4.0%
Student Commuter	35	37	5.7%
Stadium	32	34	6.3%
Residence	32	34	6.3%
University Student Apartment			
Community-2nd Car	40	42	5.0%
Student Government	32	34	6.3%
Motorcycle (student)	15	16	6.7%
Student Handicap	35	37	5.7%
<u>Violation Fees</u> (Each incident)			
Bicycle Impoundment	3	5	66.7%
"All other" violations category	none	12	N/A

At its April 1997 meeting, the Board gave preliminary approval to the proposed FY 1998 parking rate increases at Iowa State University

MOTION: Regent Arenson moved to give final approval to Iowa State University 1997-98 parking rates, as presented. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday and Thursday, May 21 and 22, 1997.

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

Register of Personnel Changes for April 1997.

ACTION: President Newlin stated the Board approved the personnel transactions, as presented, by general consent.

UNIVERSITY CALENDAR HOLIDAYS. The Board Office recommended the Board approve the University of Northern Iowa's proposed calendar holidays for 1999.

University officials proposed its holiday calendar for 1999. The action is consistent with the entire university calendar.

The proposed schedule is subject to change on the basis of agreements that might be reached through the collective bargaining process for the 1999-2001 period.

New Year's Day	Friday, January 1, 1999
Martin Luther King's Birthday	Monday, January 18, 1999
Memorial Day	Monday, May 31, 1999
Independence Day	Monday, July 5, 1999
Labor Day	Monday, September 6, 1999
Thanksgiving Day	Thursday, November 25, 1999
Friday after Thanksgiving	Friday, November 26, 1999
Christmas Day	Friday, December 24, 1999
University Holiday	Monday, December 27, 1999

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New Year's Day

Friday, December 31, 1999
(backed up from year 2000)

ACTION: This matter was approved by consent.

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

PROJECT DESCRIPTIONS AND BUDGETS

Physical Education Center--HVAC System

Nov. 1996 Budget

\$360,000

Source of Funds: Building Repairs

Revised Budget

\$646,000

Project Budget

	<u>Nov. 1996 Budget</u>	<u>Revised Budget</u>
Contracts/Purchase Orders	\$ 305,000	\$ 581,300
Consultant/Design Services	36,200	36,200
Contingencies	<u>18,800</u>	<u>28,500</u>
TOTAL	<u>\$ 360,000</u>	<u>\$ 646,000</u>

In November 1996 the university received approval of a project description and budget in the amount of \$360,000 to repair and upgrade the heating, ventilating and air conditioning (HVAC) system of the Physical Education Center. Work will include general, mechanical and electrical improvements. Three bids were received for the construction contract on March 6, 1997. The low bid in the amount of \$581,300 exceeded the engineering estimate by approximately 21.1 percent.

The university attributes the high bids to various deficiencies with the engineering estimate as follows:

- the estimate included the cost for a non-insulated air duct when an insulated air duct was specified;
- the estimate did not include the same amount of protection for the gymnasium floors that was included in the contractor's bid;

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- the estimate did not include sufficient labor costs for the insulators and plumbers working at the required heights with the building's high ceilings; and
- the estimate did not include the same allowance for material and equipment rental that was included in the contractor's bid.

The Physical Education Center--HVAC System project is being coordinated with construction of the Wellness/Recreation Center which will be connected to the Physical Education Center. University officials requested Executive Director approval of the revised project budget in order to avoid unnecessary delays and additional costs for both projects.

On March 31, 1997, the Executive Director approved the revised project budget in the amount of \$646,000, an increase of \$286,000, and authorized award of the construction contract to the low bidder, Young Plumbing and Heating Company, in the amount of \$581,300.

* * * * *

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

* * * * *

ARCHITECT/ENGINEER AGREEMENTS

<u>Telecommunication System</u>	<u>\$16,548</u>
Ament Engineering Associates, Cedar Rapids, Iowa	

University officials requested approval to enter into an agreement with Ament Engineering Associates to provide engineering services for the project. The agreement will provide construction observation services for installation of the Lucent Technologies system. The agreement will also include minimal design services for construction of the communication equipment rooms.

The agreement provides for a fee of \$16,548, including reimbursables.

CONSTRUCTION CONTRACTS

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Physical Education Center--HVAC System

\$581,300

Award to: Young Plumbing and Heating Company, Waterloo, Iowa
(3 bids received)

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ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Baker Hall--Exterior and Electrical Repairs--Roof Contract \$61,481
Pries Roofing, LaPorte City, IA

Physical Education Center Roof \$197,740
Pries Roofing, LaPorte City, IA

FINAL REPORTS

Campanile Plaza \$279,763.08

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

RESIDENCE SYSTEM FUND TRANSFER. The Board Office recommended the Board approve the transfer of \$1,850,000 from the Residence System Surplus Fund to the Residence System Improvement Fund.

University of Northern Iowa officials requested a transfer of \$1,850,000 from the surplus fund to the improvement fund to continue the on-going program of equipment replacement, renovation, and major repairs.

As of June 30, 1996, the surplus fund had cash and investments of \$3,089,997 and the improvement fund had cash and investments of \$745,020.

The surplus fund balance as of April 30, 1997, was \$2,711,785.

The FY 1997 approved budget of the Department of Residence estimated a \$1,000,000 transfer to the surplus fund for the end of the fiscal year.

MOTION: Regent Arenson moved to approve the transfer of \$1,850,000 from the Residence System Surplus Fund to the Residence System Improvement Fund. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

MOTOR VEHICLE AND BICYCLE REGULATIONS. The Board Office recommended that the Board (1) give preliminary approval to the proposed increase from \$25 to \$50

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per offense for altering, counterfeiting or illegal use of a parking permit and (2) approve revisions to the University of Northern Iowa's Parking Manual for Motor Vehicles, Bicycles, Rollerblades, Roller Skates and Skateboards.

The University of Northern Iowa Parking and Traffic Policy Committee recommended the following substantive changes:

- The penalty for altering, counterfeiting or illegal use of any parking permit will be increased from \$25 to \$50 per offense;
- The university will issue parking permits to individuals instead of vehicles;
- Individuals will be given the choice of a stick-on vehicle parking permit or a transferable hanging permit for use on multiple vehicles; and
- Car pool permits for groups registering more than one vehicle will no longer be applicable with the issuance of permits to individuals.

Written notification of the amount of the proposed increase was mailed to the student government president of the University of Northern Iowa at the student government office as listed in the university directory.

MOTION:

Regent Arenson moved to (1) give preliminary approval to the proposed increase from \$25 to \$50 per offense for altering, counterfeiting or illegal use of a parking permit and (2) approve revisions to the University of Northern Iowa's Parking Manual for Motor Vehicles, Bicycles, Rollerblades, Roller Skates and Skateboards. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

LEASE AGREEMENT - TEAM PROPERTY MANAGEMENT GROUP - AND TENANT PROPERTY RENTALS. The Board Office recommended the Board approve the lease and rental agreements, as presented.

University officials requested approval of tenant property rental rate increases of 5.6 percent for FY 1998 for Tau Kappa Epsilon fraternity and Gamma Phi Beta sorority.

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University officials requested approval of faculty and staff housing rental rate increases of 5.2 percent for FY 1998 for properties located at 3214 Hudson Road and 8712 University Avenue, Cedar Falls.

University officials requested approval to enter into a lease as lessee with TEAM Property Management for the university's use of 7,514 square feet of space located in Cedar Falls, Iowa, for the Iowa Waste Reduction Center, at the rate of \$6,105 per month (\$9.75 per square foot, \$73,260 per year) for a five-year period.

MOTION:

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

MOTION CARRIED UNANIMOUSLY.

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

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IOWA SCHOOL FOR THE DEAF

The following business pertaining to Iowa School for the Deaf was transacted on Wednesday and Thursday, May 21 and 22, 1997.

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

Register of Personnel Changes for April 1997.

ACTION: President Newlin stated the Board approved the personnel transactions, as presented, by general consent.

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

PROJECT DESCRIPTIONS AND BUDGETS

Iowa School for the Deaf presented the following project descriptions and budgets for Board approval. All of the projects will be funded by a combination of FY 1997 and FY 1998 Building Repair funds and will be coordinated through Iowa State University.

Visual Alert System--Phase 5 \$45,000

School officials requested approval of the fifth phase of a project to provide a fully addressable fire detection system and annunciation system for both fire and severe weather. This phase will address the center core of the Administration Building.

Long Hall Roof Replacement \$75,000

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School officials requested approval of a project to replace a portion of the roof of the high school building. The project will replace the roof area over the east and west wings and the third floor penthouse area of the facility.

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Phone System Replacement--Phase 3 \$65,000

School officials requested approval of the third phase of the phone system replacement project. This phase will provide cabling and trenching from the main phone network switch to the Elementary School. The project will also include installation of cabling and a switching network for data transmission throughout the campus.

Old Infirmary and Careers Center--Asbestos Abatement \$12,500

School officials requested approval of a project to remove asbestos from the Old Infirmary and Careers Center. These buildings have been identified as areas in need of asbestos abatement in the school's most recent inspection program.

Athletic Field--Bleacher Replacement \$25,000

School officials requested approval of a project to install new bleachers and a bleacher pad at the Athletic Field. The bleachers are over 20 years of age and in need of replacement. School officials proposed to install bleachers with double-wide seating to better accommodate physically-handicapped students. The project will also include construction of a concrete walkway to improve access to the field. Both of these project components will provide compliance with the Americans with Disabilities Act.

Staff Residence Improvements \$20,000

School officials requested approval of a project to provide interior refinishes in four of the staff residences. It has been approximately nine years since any major interior improvements were completed to the residences. The project will provide new kitchen and bathroom floor coverings, wallpaper, plaster repair and painting. In addition, the project will provide for the replacement of basement windows for all residences.

Careers Center Classroom Modifications \$40,000

School officials requested approval of a project to provide an enhanced learning area for science and graphic arts students in the school's Vocational Education program. The project will remodel approximately 3,000 square feet of space in the Careers Center to accommodate current technology for the Graphic Arts program. The project will also include installation of a new 12 station high school science lab on the second floor of the Careers Center.

MOTION: Regent Kennedy moved to approve the Register of Capital Improvement Business Transactions for

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the Iowa School for the Deaf. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

School officials requested approval of tenant property rentals for faculty and staff residences (single family houses and apartments) and garages, reflecting increases of 4.0 percent and 3.9 percent, with no increase in the rental rate for the garages.

School officials requested approval to renew its lease as lessor with Children's Choice Country for its use of 2,889 square feet of space for a day care center in the Infirmary Building on the Iowa School for the Deaf campus at the rate of \$1,300 per month (\$5.40 per square foot, \$15,600 per year) for a one-year period.

School officials requested approval to renew its lease as lessor with the Iowa Association of the Deaf for its use of 1,120 square feet of space of space, in return for providing various in-kind services to the school, for a one-year period.

School officials requested approval to enter into a new lease as lessor with the Southwest Iowa Regents Resource Center for its use of 3,000 square feet of space located in the Careers Building on the Iowa School for the Deaf campus for a three-year period at the initial rate of \$600 per month (\$2.40 per square foot, \$7,200 per year) for FY 1998, increasing to \$1,000 per month (\$4 per square foot, \$12,000 per year) for FY 1999, and \$1,500 per month (\$6 per square foot, \$18,000 per year) for FY 2000.

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

MOTION CARRIED UNANIMOUSLY.

President Newlin then asked Board members and institutional officials if there were additional items for discussion pertaining to the Iowa School for the Deaf.

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Superintendent Johnson stated that he was pleased to have had the Regents on the Iowa School for the Deaf campus.

President Newlin thanked Superintendent Johnson and his staff for their hospitality and assistance.

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IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Wednesday and Thursday, May 21 and 22, 1997.

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

Register of Personnel Changes for the period March 23 through April 19, 1997.

ACTION: President Newlin stated the personnel transactions were approved, as presented, by general consent.

GRADUATION REQUIREMENTS. The Board Office recommended the Board approve revision of graduation requirements at the Iowa Braille and Sight Saving School.

Following a review of its graduation requirements, Iowa Braille and Sight Saving School officials proposed to revise its graduation requirements to match more closely the graduation requirements of other schools in the state while retaining the distinctive features of an Iowa Braille education.

Graduation requirements for students must be completed consistent with the Individualized Education Program (IEP) devised for each student. The IEP is required by law for all special education students. No student will graduate until all requirements of the IEP are satisfied.

Students are placed in one of two programs offered at the school based on their IEP: (1) an academic program for students who possess academic abilities at or near the grade levels of their chronological peers and (2) an objective-based program that focuses on developing functional skills and abilities for vocations and independent living.

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Students in the academic program who dually enroll in the Vinton-Shellsburg Community School District are advised to plan five years to complete graduation requirements. Because of Friday bussing, students can only take courses from the Vinton-Shellsburg Schools that meet in the mornings which may limit course availability for achieving graduation in four years. Opportunities for specialized classes and work opportunities are offered to students at Iowa Braille and Sight Saving School which lie outside a typical high school curriculum.

For students in the objective-based program, the proposal establishes a method for counting credits toward graduation from five competency domains: vocational, daily living, recreation and leisure, personal and social, and adaptations.

Students in the objective-based program begin to earn graduation credits around age 14.

The proposal was reviewed by the Iowa Braille and Sight Saving School Advisory Committee. Concerns raised by the committee were addressed by school officials and the committee recommended approval of the graduation requirements.

MOTION: Regent Lande moved to approve revision of graduation requirements at the Iowa Braille and Sight Saving School. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

FOUR-YEAR TECHNOLOGY PLAN. The Board Office recommended the Board (1) approve the technology plan for the Iowa Braille and Sight Saving School and (2) approve expenditure of funds from the Schiffel Estate Endowment and from the state appropriated technology funds as outlined in the financial portion of the technology plan.

The staff of Iowa Braille and Sight Saving School created a comprehensive technology plan that incorporated technology into all aspects of the education of students.

To be eligible for the second and subsequent years of the state allocation for technology, school officials presented the plan to the Board for approval. The school will be required to file the plan with the state Department of Education through the Grant Wood Area Education Agency.

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Estimated cost for the plan is \$314,897 of which \$105,000 was allocated by the legislature as part of a technology bill enacted in 1996. The appropriations for FY 1997 totaled \$60,000 to be followed by three appropriations of \$15,000.

Iowa Braille intends to use \$183,997 from the Schiffel Estate Endowment to enhance its technology plan. Capital outlays exceeding \$50,000 for the first three years will enable Iowa Braille to move swiftly to accomplish many of its technology goals. The Schiffel Estate Endowment has a beginning balance of \$195,324. At the completion of the four year technology plan, the Schiffel Estate Endowment is expected to have a balance of \$11,327. There are no conditions placed on the use of these funds by the school in the will of Walter Schiffel or the final disposition papers filed to settle Mr. Schiffel's estate.

During the Board of Regents meeting last month in Vinton, Board members were introduced to some of the technology uses that school officials have implemented and heard verbal reports of technology the school intends to pursue.

Considering how quickly technology is developing, school officials recognize that the plan may need to be revised before the completion date. The plan is intended to guide the school to implement technological change and innovation.

MOTION:

Regent Fisher moved to (1) approve the technology plan for the Iowa Braille and Sight Saving School and (2) approve expenditure of funds from the Schiffel Estate Endowment and from the state appropriated technology funds as outlined in the financial portion of the technology plan. Regent Ahrens seconded the motion.
MOTION CARRIED UNANIMOUSLY.

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

ADJOURNMENT.

The meeting of the State Board of Regents adjourned at 3:22 p.m., on Thursday, May 22, 1997.

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R. Wayne Richey
Executive Director