

The State Board of Regents met on Wednesday, October 18, 1995, at the University of Northern Iowa, Cedar Falls, Iowa. The following were in attendance:

October 18

Members of State Board of Regents

Mr. Pomerantz, President	All sessions
Mr. Collins	All sessions
Mr. Dorr	All sessions
Ms. Mahood	All sessions
Mrs. Kennedy	Excused at 12:15 p.m.
Mr. Newlin	All sessions
Mrs. Pellett	All sessions
Mrs. Smith	All sessions
Dr. Tyrrell	All sessions

Office of the State Board of Regents

Executive Director Richey	All sessions
Deputy Executive Director Barak	All sessions
Director Houseworth	All sessions
Director Williams	All sessions
Associate Director Pressey	All sessions
Associate Director Racki	All sessions
Research Associate Via	All sessions
Minutes Secretary Briggie	All sessions

State University of Iowa

Acting President Nathan	All sessions
Acting Provost Becker	All sessions
Vice President Manasse	All sessions
Vice President True	All sessions
Associate Vice President Small	All sessions
Legislative Counsel Stork	All sessions

Iowa State University

President Jischke	All sessions
Provost Kozak	All sessions
Vice President Madden	All sessions
Vice President Theilen	All sessions
Executive Assistant to President Dobbs	All sessions
Assistant to the President Mukerjea	All sessions
Interim Director Anderson	All sessions

University of Northern Iowa

President Koob	All sessions
Provost Marlin	All sessions
Vice President Conner	All sessions
Vice President Follon	All sessions
Executive Assistant to President Stinchfield	All sessions
Assistant to President Gadelmann	All sessions
Director Chilcott	All sessions

Iowa School for the Deaf

Superintendent Johnson	All sessions
Director Heuer	All sessions
Interpreter Seiler	All sessions

Iowa Braille and Sight Saving School

Superintendent Thurman	All sessions	
Director Woodward		All sessions

## GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday, October 18, 1995.

**APPROVAL OF MINUTES OF BOARD MEETINGS OF SEPTEMBER 20 AND OCTOBER 2, 1995.** The Board Office recommended the Board approve the Minutes, as written.

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

Regent Mahood asked for corrections to the attendance page and page 241 of the September 20, 1995, Minutes.

**ACTION:** President Pomerantz stated the Board approved the Minutes of the September 20 and October 2, 1995, meetings, as corrected, by general consent.

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

Approve the request of Iowa State University to change the name of the Center for Immunity Enhancement in Domestic Animals to the Ames Center for Animal Health;

Receive the status report on the Board Office budget for fiscal year 1996;

Approve the Board Meetings Schedule;

Refer the Iowa State University request to change the name of the Iowa Transportation Center to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Receive the Register of Capital Improvement Business Transactions for the Iowa Braille and Sight Saving School (none); and

Approve three temporary contracts between Iowa Braille and Sight Saving School and Evelyn Bruns-Seybert, Ruby Eschen, and LeeAnn Back to be itinerant teachers of students with visual impairments.

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

**INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a)**  
Renaming of Iowa State University Center the Ames Center for Animal Health. The Board Office recommended the Board approve the request to change the name of the Center for Immunity Enhancement in Domestic Animals to the Ames Center for Animal Health.

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

The Ames Center for Animal Health (ACAH) is a cooperative effort between Iowa State University, the USDA Animal and Plant Health Inspection Service, National Veterinary Services Laboratories and the USDA Agricultural Research Service National Animal Disease Center. The Center is closely linked to the College of Veterinary Medicine as the Dean of the College is one of three Directors of the Center.

The proposed name change better reflects the center's relationship with other entities.

Funding for the center is provided in a \$200,000 grant from the U.S. Department of Agriculture.

MOTION: Regent Newlin moved to approve the request to change the name of the Center for Immunity Enhancement in Domestic Animals to the Ames Center for Animal Health. Regent Collins seconded the motion. MOTION CARRIED UNANIMOUSLY.

(b) New Institute with Iowa State University to be called the Institute for International Cooperation in Animal Biologics. The Board Office recommended the Board approve the request to establish a new center to be called the Institute for International Cooperation in Animal Biologics.

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

This institute is a cooperative effort between Iowa State University, the USDA Animal and Plant Health Inspection Service and the USDA Agricultural Research Service.

The overall goal of this institute is to improve the availability, safety, efficacy and use of veterinary biologics throughout the world. The institute was being formed because of the need for greater international exchange in research, training and regulatory issues related to animal biologics.

Funding for the institute is as follows:

	<u>Annual Amount</u>
Iowa State University	\$ 50,000
Iowa State University (College of Veterinary Medicine)	\$ 50,000
USDA	\$100,000

No new additional funds were requested. Moneys from the general fund and the College of Veterinary Medicine budget were reallocated.

MOTION: Regent Newlin moved to approve the request to establish a new center to be called the Institute for International Cooperation in Animal Biologics. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) New Center for Energy and Environmental Education at the University of Northern Iowa. The Board Office recommended the Board approve the establishment of a Center for Energy and Environmental Education.

University of Northern Iowa officials requested approval to establish a programmatic Center for Energy and Environmental Education (CEEE) to be housed in a building with the same name. This request was reviewed by the Interinstitutional Committee on Educational Coordination and the Board Office, and both recommended approval.

The facility (CEE) was funded by a \$4 million U.S. Department of Energy grant and opened in Fall 1994. University officials now wished to formally establish a programmatic center to more efficiently organize these educational initiatives and externally funded projects. The primary mission of the center will be to support development of curriculum and training in both energy education and environmental education.

The programmatic work of the center will be characterized by a collaborative model that directly involves teachers in all stages of the curriculum process.

The funding to establish the center was committed by the university through reallocation. The FY 1996 budget of \$154,523 will provide for the salary and fringe benefits of a director for the center, a secretary, and supplies and services. This amount included the

\$6,600 reallocated as a result of the termination of the Institute for Environmental Education which was approved by the Board of Regents in July 1995.

MOTION: Regent Kennedy moved to approve the establishment of a Center for Energy and Environmental Education. Regent Mahood seconded the motion. MOTION CARRIED UNANIMOUSLY.

Regent Dorr said it seemed like there was no end to the establishment of new centers. President Pomerantz said Regent Dorr's concern was so noted.

**ACCREDITATION OF ORAL AND MAXILLOFACIAL SURGERY AT THE UNIVERSITY OF IOWA.** The Board Office recommended the Board receive the report.

The Commission on Dental Accreditation of the American Dental Association reaccredited the Oral and Maxillofacial Surgery residency program at the University of Iowa.

The program is for dental residents who have completed their DDS degrees. The program is four years long and prepares dentists for specialty practice in oral and maxillofacial surgery.

The program has been accredited since 1973 and the current accreditation will run through 1999. The accreditation process consisted of a self study, a site visit and report by a review team, the program's response to the review team's report and recommendations, and a final review by the Commission on Accreditation.

A continuing stipulation of the accreditation is that enrollment be limited to 3 residents a year.

The accreditation of the University of Iowa program is at the highest level offered by the commission, meaning that it is an established program that meets or exceeds the basic standards for accreditation and has no serious deficiencies or weaknesses.

The review team's report noted the program's strengths include a dedicated and enthusiastic faculty, outstanding facilities and resources, excellent off-service rotations with enthusiastic directors, and a well-organized basic science curriculum.

Vice President Manasse referred to the accreditation report which had previously been distributed to the Regents, and said the program had received full accreditation through 1999. Implementation of all of the suggestions had begun.

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

**REPORT ON JOINT MASTERS DEGREE PROGRAM FOR THE IOWA COMMUNICATIONS NETWORK.** The Board Office recommended the Board receive the report on the cooperative graduate training program in Early Childhood Special Education.

The Board members were presented with a report on a cooperative graduate program in Early Childhood Special Education. The program is a joint endeavor of the three Regent universities and the Iowa Department of Education, Bureau of Special Education, and is funded by a grant from the U.S. Department of Education.

The program was developed in response to a documented need for a substantial increase in the number of early childhood educators and other professionals capable of providing appropriate guidance and nurturance to infants, toddlers, and young children experiencing a broad array of developmental disorders and conditions.

The three-year program will use distance learning technologies available over the Iowa Communications Network (ICN) for dissemination. The goal of this program is to enhance Iowa's capacity to serve the diverse needs of young children with disabilities and their families through each Regent university cooperatively sharing the expertise particular to its campus with sister institutions.

Each Regent university will recruit 9 graduate students into this cooperative program for a total of 27 students. The students will have access to courses not previously available at their home campus through cooperative offerings via the ICN.

Tuition will be paid by grant funds provided by the U.S. Department of Education.

A Project Management Board composed of project personnel and other statewide experts in the area of early childhood education and special education will provide project management and oversight functions.

Thomas Switzer, Dean, College of Education, University of Northern Iowa, stated that Regent universities officials had been talking for years about the benefits that can be derived through collaboration. He said it was that kind of thinking which resulted in the report before the Regents at this meeting. There was great interest in communication technology. He introduced Dr. Sandra Alper, University of Northern Iowa.

Dr. Alper addressed the teacher shortage in the area of special education. She stated that the Department of Special Education at the University of Northern Iowa had tried to respond to the need for teachers of special education. She said the most innovative and unique effort was the early childhood Regents grant. She then introduced Joan Clary, a consultant with the Iowa Department of Education's bureau of special education.

Ms. Clary stated that the Regent universities and the Iowa Department of Education had worked together for the last 5 years to seek funding for early childhood special

education to serve children with disabilities from birth to age 5. The program before the Regents emphasized the unique strengths of each of the Regents education programs. She said there is a great need for future leaders in this area. The ruralness of Iowa presents unique barriers to teacher training. She said the first application for funding was developed by Dr. Healy in close collaboration with Dr. Barak. The first application was not funded. The second application was also not funded. The program proposal was rewritten to include the Iowa Communications Network for delivery of the program and was subsequently funded. She then introduced Donna Raschke, Special Education Professor, University of Northern Iowa, for an overview of the project.

Ms. Raschke stated that each Regent institution contributing to this program had a different focus and included different components. The University of Iowa emphasis was on medical technology. The emphasis of Iowa State University was on families and child development. The University of Northern Iowa emphasis was on relationships to pedagogical aspects of teaching special education. Each university identified two unique courses to be taught and provided teachers to present courses on the Iowa Communications Network. The program will have 27 students; 9 students will affiliate with each of the three Regent universities. She said institutional officials would try to continue to offer Regent programs collectively. She then introduced Mary Jane Brotherson, Iowa State University, Assistant Professor of Human Development.

Ms. Brotherson stated that she teaches courses in early childhood special education. She said there was tremendous interest in this newly-developed program. She was amazed at the response level of people in the field. There have been 14 applicants at the University of Iowa, 24 applicants at the University of Northern Iowa, and 36 applicants at Iowa State University. There is an interdisciplinary interest in the program. She said 27 students would be selected to enroll in the program. The first course will be offered in the spring of 1996. Each course builds on the unique strengths of the campus. She then introduced Harriett Healy, former director of the Northern Iowa Instructional Laboratory, to discuss the uniqueness of the program.

Dr. Healy shared her ideas of how the program uses faculty expertise, facilities and programs. She described one program as an example of the quality of programming. Regent university officials are in the process of developing a clinical Iowa Communications Network studio at the University Hospital School to interact with facilities around the state which would demonstrate the needs of children targeted to be served.

Ms. Clary summarized the presentation for the Regents. She expressed her pride in this cooperative effort, stating that it was exemplary for the nation.

Regent Tyrrell asked for the amount of the grant. Ms. Clary responded that the grant was approximately \$125,000/year, most of which goes to the students.

Regent Tyrrell asked about the future of the program once the three-year grant period is completed. Was the intention to have the program adopted as a Regent program?

Ms. Clary responded that the Federal funding mainly provided tuition funds to students. To continue the program after the initial three-year period, the Regents would need to fund costs for the faculty and Iowa Communications Network charges.

Regent Pellett commended those involved in this effort. She then asked whether more students could be accepted if they were willing to pay their own tuition.

Ms. Clary responded that it becomes an issue of how many students a faculty member could handle because of grading and follow-up with students.

Regent Dorr noted that this program was designed to cooperatively provide graduate-level training to special education teachers. The specific need was to provide assistance to children with disabilities. Would it be more effective to go directly to the families rather than focusing solely on degree-type programs?

Ms. Clary said she hoped that at some point a project like that suggested by Regent Dorr could be incorporated into the program. She said it was a very good concept to be kept in mind.

Regent Smith asked if the focus of the program was teacher training. Ms. Clary responded affirmatively, stating that the program would provide instructional and support staff.

President Pomerantz encouraged university officials to think about how the program could be expanded, recognizing the resource issue. He wished them the best of luck in the program and asked that they come back to the Board and share their successes.

**ACTION:** President Pomerantz stated the Board received the report on the cooperative graduate training program in Early Childhood Special Education, by general consent.

**FALL ENROLLMENT REPORT - PART I.** The Board Office recommended the Board receive the first of two parts of the enrollment report for Fall 1995.

Fall 1995 enrollment at the three Regent universities was 64,830, an increase of 0.36 percent over Fall 1994. There was an overall increase of 231 students.

The University of Iowa and the University of Northern Iowa, respectively, reported headcount enrollments of 27,597 students and 12,802 students with increases of 298 students (+1.1 percent) and 230 students (+1.8 percent).

Iowa State University reported a headcount enrollment of 24,431 students, a decrease of 297 students (-1.2 percent) primarily in the graduate student population.

Full-time equivalent enrollments grew at the University of Iowa and the University of Northern Iowa and decreased at Iowa State University.

Resident enrollment gains accounted for much of the University of Iowa and University of Northern Iowa enrollment increases. Non-resident enrollment decreases at Iowa State University accounted for 2/3 of that institution's enrollment loss.

Resident undergraduate enrollments increased 518 students. Non-resident undergraduate enrollments increased 31 students.

Resident graduate enrollments decreased 172 students. Non-resident graduate enrollments decreased 146 students.

New freshmen increased 4.46 percent at the three universities. New resident freshmen increased 6.27 percent (398 students). New non-resident freshmen decreased 0.57 percent (13 students).

This fall there were 9,010 new freshman enrolled at the universities. Of these, 6,741 were residents of Iowa (75 percent) and 2,269 were non-residents (25 percent).

Minority enrollments increased overall within the Regent institutions. The University of Iowa showed marked growth while the University of Northern Iowa increased minority enrollments by one. Iowa State University experienced a 5.08 percent decline in minority enrollments.

New freshman enrollments of minority students were down across Regent institutions. Only the University of Iowa reported an overall increase in minority freshmen.

Regent special schools reported Fall on-campus student headcounts of 120 at Iowa School for the Deaf (+7 students) and 54 at Iowa Braille and Sight Saving School (+1 student). Direct service off-campus enrollments numbered 62 at Iowa School for the Deaf and 78 at Iowa Braille and Sight Saving School.

President Pomerantz referred to the enrollment figures for Iowa State University and asked if university officials were prepared to engage in a more active marketing program. President Jischke responded that new student enrollment numbers were up slightly but could be better. He said the challenge was in retention which he believed was due in part to the non-resident tuition policy. Graduate students who are not being retained are not on support; therefore, it was a financial issue. Additionally, enrollments nationally in areas of engineering, agriculture and veterinary medicine are soft. The enrollment goal for Iowa State University is 25,000.

President Pomerantz stated that in-state tuitions were probably appropriate. With regard to out-of-state tuition, he said different issues were involved. He suggested that President Jischke might want to present a well thought-out marketing program and incentives around out-of-state tuitions.

President Jischke suggested that one policy change could be to increase non-resident tuition no higher than the rate that in-state tuition is increased.

President Pomerantz noted that the policy was that out-of-state tuition should cover the full cost of educating those students. Other Regent universities are attracting substantial numbers of out-of-state students. Iowa State University may just need a stronger marketing effort. He then asked for the enrollment goals of the other two universities.

President Koob responded that the University of Northern Iowa's approximate enrollment goal was 14,000.

Interim President Nathan stated that enrollment of 28,000 was an ideal figure for the University of Iowa. University officials expect to reach that level within the next 2 years.

President Pomerantz stated that there was still capacity at each of the Regent universities. They need to reach their goals in terms of enrollment and he hoped there would be accelerated programs to do so.

Regent Dorr questioned the amount of surplus capacity as students embark on the 4-year graduation program. Interim Provost Becker suggested that the opposite may be true. As students carry more hours, the cost/student/year increases. President Pomerantz said Interim Provost Becker referred to a variable cost increase. Total cost was a different matter.

President Jischke said that in the short run if students increase the number of hours they take, the cost will go up. Students ultimately take the same total number of hours. If students graduate more quickly there could be increased capacity but the net result was greater production and maybe greater cost.

Regent Dorr said the net effect was greater production and greater production efficiency that will justify adding more people. He hoped they were all operating under that premise.

President Pomerantz stated that the Regent institutions have huge fixed costs. The more students they have, the less cost per student under the fixed cost portion.

President Jischke said the fact that student interests shift could not be ignored.

Interim President Nathan said he believed that the Regents' four-year graduation program would lead to increased interest of out-of-state students.

**ACTION:** President Pomerantz stated the Board received the first of two parts of the enrollment report for Fall 1995, by general consent.

**FINAL ACTION ON FULL-TIME TUITION RATES AND MANDATORY FEES.** The Board Office recommended:

- (1) That the Board approve academic year tuition rates and mandatory fees, effective with the summer session 1996, as shown in Table 1 and described below:
  - a. Increase all tuition categories at Iowa State University and the University of Northern Iowa by 3.5 percent;
  - b. Increase all resident tuition categories at the University of Iowa except Undergraduate Pharmacy, Pharm. D., and Law by 3.5 percent.
  - c. Increase all nonresident tuition categories at the University of Iowa except Undergraduate Pharmacy, Pharm. D., and Law by 5 percent.
  - d. Continue the third year of a 4-year program to implement an entry-level Doctor of Pharmacy program at the University of Iowa by increasing resident Undergraduate Pharmacy and Pharm. D. tuition by a 3.5 percent base increase, plus a 7.5 percent surcharge, and increasing nonresident Undergraduate Pharmacy and Pharm. D. tuition by a 5 percent base increase plus a 7.5 percent surcharge;
  - e. Continue to increase funding to advance the College of Law's strategic planning goals related to strengthening fundamental lawyer skills training by increasing resident Law tuition at the University of Iowa by a base increase of approximately 3.5 percent plus a \$350 surcharge, and increase nonresident Law tuition by a base 5 percent increase plus a \$500 surcharge;



- f. Increase the computer fee charged to all students at all three Regent universities, other than Engineering and Law students at the University of Iowa, and Engineering, Computer Science, and Management Information Systems students at Iowa State University, from \$88 to \$92 per academic year.
  - g. Increase the computer fee charged Law students at the University of Iowa from \$88 to \$150 per academic year.
  - h. Increase the student health fee charged at Iowa State University and the University of Northern Iowa from \$84 to \$88 per academic year.
- (2) That general institutional financial aid for students be increased at the same rate as the proposed increase in tuition and mandatory fees to offset the impact on students now receiving institutional financial aid.
- (3) That the additional tuition revenues be used for:
- Implementation of the Doctor of Pharmacy program at the University of Iowa;
  - Advancement of the University of Iowa College of Law's strategic planning goals;
  - At SUI: Modernization of classrooms and instructional labs, upgrading library technology and library staff training, upgrading faculty and support staff access to personal computing resources, and acquiring and upgrading instructional equipment;
  - At ISU: Continued implementation of the 4-year graduation plan, increasing undergraduate and graduate instruction through expanded course offerings and instructional hours, improving student graduation and retention rates, increasing instruction of introductory courses by senior faculty, upgrading instructional support facilities, improving responsiveness to student needs, and accommodating the needs of nontraditional students;
  - At UNI: Upgrading the technological infrastructure to improve services to students via on-line and telephone access to registration, degree audits, transcript requests, open/closed class lists, financial aid information, etc.; and improving student access to academic and instructional services via networking of library materials and other instructional resources and services.

The recommended 1996-97 tuition and mandatory fees rates were unchanged from those presented at the September Board meeting and were now recommended for final approval. The background information concerning the recommendations can be found in the Minutes of the September 20, 1995, Board of Regents meeting.

*How Do Regent Tuition Rates Compare?*

	1995-96 Res. Undergraduate Tuition & Fees	Regent % Diff. From Median/Aver.	Regent \$ Diff. From Median/Aver.
University of Iowa	\$ 2,558		
Iowa State University	\$ 2,574		
University of Northern Iowa	\$ 2,558		
Big Ten Public U. Median	\$ 3,706	-31.0%	-\$1,148
SUI AAU Group Median	\$ 3,428	-25.4%	-\$ 870
ISU Land Grant Group Median	\$ 3,165	-18.7%	-\$ 591
UNI Pub. Comp. U. Group Median	\$ 2,814	- 9.1%	-\$ 256
Iowa Independent College Average	\$11,369	-77.5%	-\$8,811

	1 Year % Increase 94-95 to 95-96	1 Year \$ Increase 94-95 to 95-96	5 Year % Increase 90-91 to 95-96	5 Year \$ Increase 90-91 to 95-96
University of Iowa	4.2%	\$103	34.6%	\$ 658
Iowa State University	4.2%	\$103	35.5%	\$ 674
University of Northern Iowa	4.2%	\$103	35.6%	\$ 658
Big Ten Public U. Median	5.1%	\$180	38.7%	\$1,035
SUI AAU Group Median	6.1%	\$198	58.4%	\$1,264
ISU Land Grant Group Median	6.0%	\$179	48.6%	\$1,035
UNI Pub. Comp. U. Group Med.	10.1%	\$257	42.0%	\$ 832
Iowa Independent College Aver.	2.9%	\$323	38.5%	\$3,163

### Economic Indicators

	FY1997	FY1996	FY1995	FY1994	FY1993	FY1992
Higher Education Price Index	4.0%*	3.9%*	2.9%	3.4%	3.1%	3.5%
Consumer Price Index	3.3%*	3.2%*	3.0%	2.5%	3.1%	3.2%
Per Capita Personal Income-US**	NA	NA	NA	4.9%	3.3%	4.9%
Per Capita Personal Income-IA**	5.6%*	5.1%*	5.6%*	10.9%	.7%	6.2%
Resident Undergrad. Tuit. & Fees	3.5%*	4.2%	4.4%	5.6%	7.5%	9.1%

\* = Projected/Proposed

\*\* = Figures are calendar year rather than fiscal year

NA = Not Available

### Tuition and Fees as a Percentage of Per Capita Personal Income

	1994	1993	1992	1991	1990	1989	1988
IOWA	12.1%	12.9%	12.3%	12.1%	11.4%	11.7%	11.9%
Arizona	10.0%	10.2%	9.1%	9.5%	9.5%	9.1%	8.5%
California	19.3%	18.1%	15.0%	12.8%	9.7%	8.5%	8.2%
Illinois	15.6%	15.5%	15.9%	15.4%	14.8%	15.4%	16.0%
Indiana	15.3%	14.9%	14.6%	14.4%	13.2%	13.1%	13.7%
Michigan	24.5%	24.9%	23.3%	21.6%	20.2%	19.3%	19.2%

Minnesota	16.1%	16.5%	16.2%	15.2%	14.5%	14.2%	14.9%
Missouri	16.4%	15.8%	14.7%	13.9%	11.9%	11.5%	11.4%
Nebraska	11.8%	11.6%	11.0%	11.3%	11.0%	11.3%	11.2%
North Carolina	7.7%	7.6%	7.0%	7.2%	6.5%	6.5%	6.1%
Ohio	14.8%	14.9%	14.8%	14.3%	13.4%	13.2%	13.0%
South Dakota	12.7%	12.1%	12.0%	12.1%	12.0%	12.8%	13.3%
Texas	8.6%	7.8%	7.7%	7.3%	6.0%	6.2%	5.9%
Wisconsin	13.0%	12.8%	12.3%	12.2%	12.1%	12.2%	12.1%
National Average	13.9%	13.6%	13.0%	12.5%	11.6%	11.1%	11.0%

### *Tuition and Fees and Institutional Costs*

University of Iowa	% Change 1990-91 to 1995-96	1995-96	1994-95	1993-94	1992-93	1990-91
Resident Undergrad. Tuit. & Fees		\$ 2558	\$ 2455	\$ 2352	\$2228	\$1900
% Increase	34.6%	4.2%	4.4%	5.6%	17.3%	
Nonres. Undergrad. Tuit. & Fees		\$ 8808	\$ 8313	\$ 7740	\$7192	\$6240
% Increase	41.2%	6.0%	7.4%	7.6%	15.3%	
Undergraduate Unit Costs		\$ 7167*	\$ 6807*	\$ 6532*	\$6069	\$5731
% Increase	25.1%*	5.3%	4.2%	7.6%	5.9%	
University Composite Unit Costs		\$11,409*	\$10826*	\$10346*	\$9676	\$9179
% Increase	24.3%*	5.4%	4.6%	6.9%	5.4%	

\* = Estimate

Iowa State University	% Change 1990-91 to 1995-96	1995-96	1994-95	1993-94	1992-93	1990-91
Resident Undergrad. Tuit. & Fees % Increase	35.5%	\$2574 4.2%	\$2471 5.1%	\$2352 5.6%	\$2228 17.3%	\$1900
Nonres. Undergrad. Tuit. & Fees % Increase	32.6%	\$8192 6.0%	\$7731 4.7%	\$7386 5.6%	\$6996 13.2%	\$6180
Undergraduate Unit Costs % Increase	16.7%*	\$7715* 6.4%	\$7248* 7.1%	\$6770* 4.0%	\$6509 -1.6%	\$6612
University Composite Unit Costs % Increase	16.3%*	\$8909* 6.9%	\$8331* 6.5%	\$7819* 3.0%	\$7592 -9%	\$7662

\* = Estimate

University of Northern Iowa	% Change 1990-91 to 1995-96	1995-96	1994-95	1993-94	1992-93	1990-91
Resident Undergrad. Tuit. & Fees % Increase	34.6%	\$2558 4.2%	\$2455 4.4%	\$2352 5.6%	\$2228 17.3%	\$1900
Nonres. Undergrad. Tuit. & Fees % Increase	37.9%	\$6634 6.0%	\$6261 4.5%	\$5994 7.6%	\$5570 15.8%	\$4810
Undergraduate Unit Costs % Increase	28.7%*	\$6689* 2.5%	\$6526* 2.9%	\$6343* 6.5%	\$5956 14.6%	\$5199
University Composite Unit Costs % Increase	27.5%*	\$7102* 2.3%	\$6942* 2.3%	\$6787* 6.2%	\$6388 14.7%	\$5571

\* = Estimate

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

	University of Iowa	Iowa State University	University of Northern Iowa	Regent Universities Combined Total
1990-91	27.0%	29.3%	26.5%	27.8%
1991-92	29.0%	31.0%	29.2%	29.8%
1992-93	29.2%	31.2%	26.9%	29.6%
1993-94	29.4%	32.1%	27.4%	30.1%
1994-95	30.3%	32.0%	27.6%	30.5%
1995-96*	30.5%	31.4%	27.3%	30.3%

\* Budgeted

*The Impact of the Proposed 1996-97 Tuition Rates on Tuition Revenues*

Gross Tuition Proceeds	University of Iowa	Iowa State University	University of Northern Iowa
Basic 3.5% and 5% Inc.	\$4,020,000	\$2,714,000	\$961,000
Pharmacy Surcharge	\$ 207,000		
Law Surcharge	\$ 371,000		
TOTALS	\$4,598,000	\$2,714,000	\$961,000

  

Net Tuition Proceeds	University of Iowa	Iowa State University	University of Northern Iowa
Basic 3.5% and 5% Inc.	\$3,378,000	\$2,415,000	\$774,000
Pharmacy Surcharge	\$ 174,000		
Law Surcharge	\$ 311,000		

TOTALS | \$3,863,000 | \$2,415,000 | \$774,000 |

MOTION: Regent Kennedy moved to approve the recommended action, as outlined beginning on page 303 of these Minutes. Regent Pellett seconded the motion.

Regent Newlin asked for the reaction of law and pharmacy students to the proposed tuition increases. Interim President Nathan responded that both groups of students understood the need for the tuition increases and were supportive of the recommended action.

VOTE ON THE MOTION: The motion carried unanimously.

**PROGRESS REPORT ON REVIEW OF ORGANIZATIONAL AUDIT.** The Board Office recommended the Board receive the progress report on the organizational audit.

Since the last report to the Board the following actions have been taken on the review of the organizational audit:

A preliminary planning meeting was held with the outside participants/consultants who have been engaged to undertake the review of the organizational audit.

The Pappas Group developed a pre-audit methodology that outlines in matrix form for each institution and the Board Office the tasks from the previous audit that are to be reviewed. The pre-audit matrices were being reviewed at each institution.

The matrices delineate items from the previous Peat Marwick Report including the (a) recommendations, (b) information required by the Pappas Group to review/verify action taken, (c) 1995 status of the recommendation to be completed by each institution and the Board Office, and (d) consultant action needed.

Pre-audit visits to each institution and Board members were in the process of being scheduled. The next step will be to conduct the pre-audit.

Mr. Richey stated that this week Dr. Pappas and staff started visiting with the Board Office and institutions. They had already been at Iowa State University and would be at the University of Iowa next week. They will be on all the campuses within the next 7 to 10 days.

Regent Tyrrell stated that he was not familiar with the pre-audit matrix. He said that as this process moves along the Regents should be kept apprised. He asked that the Regents be provided with the matrix information by the time of their individual interviews with the consultant.

Mr. Richey stated that the Board Office would provide the matrix to the Regents; however, it was a lengthy document. Regent Tyrrell said an executive summary would probably be sufficient.

President Pomerantz suggested that the Board Office distribute the entire matrix to the Board members and they could read what they wished. He emphasized that there were no secrets.

**ACTION:** President Pomerantz stated the Board received the progress report on the organizational audit, by general consent.

**REPORT ON FEDERAL FUND LOSSES AND FEDERAL FUND PLANNING.** The Board Office recommended the Board (1) receive the report and (2) when the Congress and President have reached agreement on specific Federal FY 1996 appropriations, request that the institutions and the Board Office submit comprehensive reports on the appropriations together with plans for adjusting to changes in Federal funds.

The Federal fiscal year 1995 recissions bill left higher education largely untouched and will not significantly affect operations or programs at the Regent universities in State fiscal year 1996.

Many Federal programs impacting the Regents, including most research grants and most student financial aid programs, were forward funded a year in advance. In these forward-funded programs the Regent universities will be using Federal FY 1995 funds during academic year 1995-96 and Federal FY 1996 funds during academic year 1996-97.

At this time, the status of Federal funding for higher education and the Regent universities for Federal fiscal year 1996 and beyond was uncertain. The major Federal program appropriations affecting the Regent institutions are student financial aid, research grants and contracts, and Medicare-Medicaid.

The Board Office and the Regent institutions have been monitoring Federal developments closely, will continue to do so, and will keep the Board advised.

#### *Student Financial Aid*

Under current Federal proposals most of the major financial aid programs would continue to operate at or near their current levels for 1995-96 and 1996-97.

**PELL GRANTS.** Both the House and Senate proposed a \$100 increase in the maximum Pell Grant award to \$2440 per year. This was the first increase in the maximum award in several years.

The House proposed to pay for the increase by raising the size of the minimum award, with the net effect of reducing the total number of awards. The Senate proposal did not change the minimum award and would not reduce the total number of awards.

STUDENT LOANS. The Senate proposed a “tax” on higher education institutions equivalent to .85 percent of the institution’s total student loan volume. The estimated cost of such a tax on the Regent universities was \$1.2-\$1.3 million per year.

A House proposal would eliminate the Direct Student Loan program in which all 3 Regent universities now participate. The Senate proposal would cut the percentage of total student loan volume handled under the direct loan program to 20 percent from its current level of about 38 percent.

#### *Research, Contracts, and Grants*

Research and development funds affecting the Regent universities were relatively unchanged in the Congressional Federal FY 1996 proposals, but the 7-year budget resolution passed by Congress suggests a 33 percent decline in non-defense research and development by Federal FY 2002.

Losses in research grants and contracts will not effect the appropriations requests presented to the State legislature.

## *Medicare and Medicaid*

Cuts in Medicare/Medicaid payments to cover the cost of training doctors and other medical personnel could have a serious impact on the University of Iowa's health sciences programs.

Mr. Richey said there was still uncertainty as to the outcomes of research programs funding of the universities. Areas of substantial concern are student assistance and the impact of the changes under consideration for Medicare and Medicaid, and its impact on medical training. Student assistance was being monitored closely by the university student financial aid offices. Federal legislation could have an affect on student access to the universities. The Board Office recommended that once it is known what has happened in Congress and with the President, the Regents be provided with a thorough report and plans for coping with the results.

Regent Dorr expressed concern about the student financial aid issue and Federal funding of higher education. He encouraged institutional officials to develop a back-up plan. There has been a tremendous growth in student loans in the last 10 years. He hoped they would develop some fairly significant back-up plans to cope with reduced student aid.

Regent Tyrrell referred to back-up plans, and said the Regents have discussed the importance of scholarship money from private donors at each university. For example, there is a \$5 million tuition grant at Iowa State University. The Regents are on record as encouraging the universities to emphasize this source of assistance with developing scholarship funds for student, and that people should know the need for scholarship funds through private sources. He said that doing so would be one way to fill the void anticipated to be created by a decrease in Federal funding. Universities' officials should continue to be encouraged to pursue private funding.

**ACTION:** President Pomerantz stated the Board (1) received the report and (2) when the Congress and President have reached agreement on specific Federal FY 1996 appropriations, requested that the institutions and the Board Office submit comprehensive reports on the appropriations together with plans for adjusting to changes in Federal funds

**REPORT OF THE BANKING COMMITTEE.** The Board Office recommended the Board accept the report of the Banking Committee and approve the Resolution for the Sale of \$15,900,000 Telecommunications Facilities Revenue Bonds, selection of an intermediate fund manager, financing for the acquisition of the Oakdale Research Park building, and financing of the Iowa State University Memorial Union remodel.

Regent Dorr noted that he was pleasantly surprised last week when The Common Fund returned all the Regents' principal that had been tied up in the intermediate account. He stated that the Banking Committee members spent a great deal of time the previous day interviewing firms for selection as intermediate fund manager. He considered the process for the selection of the intermediate fund manager to have been very effective, and he was pleased that they had embarked on the endeavor. University officials and Board Office staff were to be commended for putting together the selection process. The Banking Committee members, after interviewing four firms, recommended the following action:

MOTION: Regent Dorr moved to approve the selection of Hotchkis and Wiley of Los Angeles, California, as intermediate fund manager to replace The Common Fund. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

Regent Dorr stated that the Banking Committee members discussed the proposal to finance acquisition of the Oakdale Research Park building, which also required Board action.

MOTION: Regent Dorr moved to authorize financing for the acquisition of the Oakdale Research Park building, as approved by the Banking Committee. Regent Newlin seconded the motion, and upon the roll being called, the following voted:  
AYE: Collins, Dorr, Kennedy, Mahood, Newlin, Pellett, Pomerantz, Smith, Tyrrell.  
NAY: None.  
ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

Regent Dorr stated that last month the Banking Committee members received an in-depth review of efforts to remodel the first floor of the Iowa State University Memorial Union. The matter was brought back this month for approval by the Board of Regents.

MOTION: Regent Dorr moved to Adopt a Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$7,300,000 First Mortgage Notes of the Iowa State Memorial Union, directing publication of notice of intention to issue, and directing the Executive Director to call a public hearing on the proposal to issue said Notes and to set an interest rate and fix a date of sale for the said Notes; and related matters. Regent Tyrrell

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

AYE: Dorr, Kennedy, Mahood, Newlin, Pellett, Smith, Tyrrell.

NAY: None.

ABSENT: None.

ABSTAIN: Collins, Pomerantz.

#### MOTION CARRIED.

Regent Dorr stated that the Banking Committee members received several reports including the investment and cash management reports for the fiscal year ended June 30, 1995; internal audit functions of the universities; FY 1996 internal audit plans; internal audit reports from Iowa State University, the University of Iowa, and the University of Iowa Hospitals and Clinics; and a semi-annual report on master lease purchases. He noted that the Banking Committee members were quite pleased with the internal audit reports. There was discussion that the internal audit systems appeared to have become quite effective; however, there will be some ongoing need for additional internal audit procedures as various programs are expanded. University officials were encouraged to come back to the Banking Committee with a plan in that regard.

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

**REPORT ON CHANGES IN OPERATING BUDGETS.** The Board Office recommended the Board (1) ratify the adjusted budget for FY 1996 for the University of Northern Iowa and the consequent adjustments to the appropriation requests for FY 1997 and FY 1998 and (2) receive a report on the Wallace Technology Transfer Foundation funding.

## University of Northern Iowa

As a result of detailed analyses of salary and building repair needs, University of Northern Iowa officials concluded that its building repair budget should be increased by \$1 million in FY 1996; the source of funding is through additional salary savings.

The university and Board Office conducted a more in-depth review of University of Northern Iowa's budget for building repairs, which determined that the \$850,000 budgeted in FY 1996 clearly was inadequate in relation to the building repair needs of the university.

Close examination of the other areas of University of Northern Iowa's budget revealed that the university probably could achieve an additional \$1 million in salary savings.

This change in UNI's FY 1996 operating budget results in an increased request of \$25,000 in FY 1997 and \$25,625 in FY 1998 for price inflation for non-salary items.

The salary adjustment request for FY 1997 will decrease by \$40,000 because of the change in the FY 1996 budget; the sum of the changes is a net reduction of \$15,000 for FY 1997.

## Wallace Technology Foundation Funding

The Wallace Technology Foundation funding traditionally has been requested by the Department of Economic Development.

At the September 1995 Board meeting, the Board approved the contingency that the Wallace Technology Foundation funding requests would be activated as requests of the Board of Regents in the event that they were not included as a part of the Wallace Technology Transfer Foundation request.

The Department of Economic Development notified the Board Office that the department did not intend to include in its FY 1997 budget request funds currently supporting activities at the Regent institutions through the Wallace Foundation; consequently, in accordance with the contingency approved by the Board in September, the funding requests for these four programs were reflected in the FY 1997 request of the Board of Regents.

### **MOTION:**

Regent Pellett moved to (1) ratify the adjusted budget for FY 1996 for the University of Northern Iowa and the consequent adjustments to the appropriation requests for FY 1997 and FY 1998 and (2) receive a report on the Wallace Technology Transfer Foundation funding. Regent Newlin seconded the motion. MOTION CARRIED UNANIMOUSLY.

**ANNUAL GOVERNANCE REPORT ON REGENTS MERIT SYSTEM.** The Board Office recommended that the Board:

- (1) Receive the governance report on the operation of the Regents Merit System in fiscal year 1995.
- (2) Approve the new classification of Dental Instrument Management Technician, pay grade 405 (\$16,453 - \$21,923) and the deletion of the Dental Dispensary Assistant classification in pay grade 404 (\$15,330 - \$20,405).

In fiscal year 1995, there were 8,585 permanent and probationary employees in the Regents Merit System, an increase of 66 over the previous year-end total. By occupational category, there were 701 supervisory employees, 2,657 blue collar, 116 security, 1,508 technical and 3,603 clerical employees.

The average Regent Merit System employee salary for fiscal year 1995 was \$23,415 excluding fringe benefits. The fiscal year 1996 budgeted expenditure for salaries and fringe benefits for employees in the Regents Merit System was \$287 million total from all funds. The general fund portion was budgeted at \$127 million for merit system salaries and fringes in fiscal year 1996. Only that portion of salaries and fringes attributed to the care of indigent patients at the University Hospitals and Clinics is from the general fund.

Two-thirds of the covered employees are female. Minorities have increased slightly over the year from 4.6 to 4.9 percent.

The majority of the employees, 97 percent, are covered under a statewide collective bargaining agreement; 701 supervisory employees and 132 confidential clerical employees are exempt from bargaining units.

Representatives from the Board Office and Regent institutions participated in the management negotiation team during AFSCME negotiations held in the winter of 1995. These negotiations ended in a voluntary agreement with the union. The new two-year agreement was effective July 1, 1995.

Bargaining unit members received a three percent increase effective July 1, 1995. Nonorganized employees in the merit system also received a three percent increase. Steps increases will be granted in accordance with the collective bargaining agreement or the rules of the Regents Merit System.

Bargaining unit employees will be given a three percent increase effective July 1, 1996, and eligible employees will receive step increases.

In fiscal year 1995, the five merit system pay matrices (supervisory, blue collar, technical, security, clerical) were increased by two percent on July 1, 1994, and again by two percent on January 1, 1995.

Eligible employees receive step increases on their employment anniversary dates. Over half (53 percent) of the merit system employees are on step 8 and do not receive step increases.

In fiscal year 1995, 23,175 employment examinations and evaluations of training and experience of applicants were conducted. There were 817 new appointments to merit system positions during the year.

A total of 353 requests for reclassification were processed. Seven requests were appealed to a classification review committee with three decisions being upheld; two being decided for the employees. Two appeals have been heard, but the committee decisions have not been received.

In fiscal year 1996, the review of classifications will continue with review of the clerical classifications.

University of Iowa officials proposed the classification of Dental Instrument Management Technician in pay grade 405 (\$16,453 - \$21,923) and the deletion of the Dental Dispensary Assistant classification in pay grade 404 (\$15,330 - \$20,405). The classification would be used in the College of Dentistry at the University of Iowa. The addition of this classification will facilitate the college's significant modernization and re-engineering in the Sterilization Service and Instrument Management System.

The College of Dentistry is responding to new Federal requirements relating to bloodborne pathogens and minimizing employee risk for occupational exposure to bloodborne pathogens such as Hepatitis B and HIV.

Approximately 16 employees would be reclassified into the new classification. These employees are currently either classified as Central Service Technician I (pay grade 405) or Dental Dispensary Assistants (pay grade 404). The approximate annualized cost, including fringe benefits, of the reclassifications would be \$16,429 of which \$2,051 would be from general education funds. The pay grade for the proposed classification was established through application of the job evaluation instrument.

Since the new classification is in the AFSCME bargaining unit, the union must be given an opportunity to comment. Following approval by the Board of Regents, the proposal will be sent to AFSCME for review. According to the current AFSCME agreement, the union is given 20 days in which to respond to the new classification.

**ACTION:** President Pomerantz stated the Board, by general consent, (1) received the governance report on the operation of the Regents Merit System in fiscal

year 1995, and (2) approved the new classification of Dental Instrument Management Technician, as presented.

**ANNUAL GOVERNANCE REPORT ON SALARIES.** The Board Office recommended that the Board receive the annual salary report.

The Board of Regents received a net of \$21.1 million in State appropriations for fiscal year 1996 for full funding of salary increases. The Regents' portion of salary adjustment appropriations of \$22.1 million was offset by \$1 million savings from the buy down of state health insurance rates.

### GENERAL HIGHLIGHTS

Average increases given to university faculty for fiscal year 1995-96 were: University of Iowa - 4.0 percent; Iowa State University - 4.1 percent; University of Northern Iowa - 4.0 percent. Average nine-month equivalent faculty salaries for fiscal year 1995-96 were: University of Iowa - \$78,244; Iowa State University - \$58,570; University of Northern Iowa - \$47,560.

From 1994-95 to 1995-96, each university gained one step in overall faculty salary ranking within its 11-member comparison group. The University of Iowa is now in 4th place. Iowa State University is now in 8th place. The University of Northern Iowa is now in 5th place.

Faculty members at the Iowa School for the Deaf were given an average increase of 3.39 percent. The average increase in faculty salaries at the Iowa Braille and Sight Saving School was 4.08 percent.

Average increases given to professional and scientific employees for the 1995-96 fiscal year were:

University of Iowa	4.23 percent
Iowa State University	4.2 percent
University of Northern Iowa	4.2 percent
Iowa School for the Deaf	4.68 percent
Iowa Braille and Sight Saving	6.22 percent

Average university P&S salaries for the 1995-96 fiscal year are: University of Iowa - \$37,010; Iowa State University - \$40,571; University of Northern Iowa - \$39,512.

Mr. Richey stated that the Board approves the fundamental policies that were reflected in this report.

Regent Pellett asked what percent of employees are 9-month employees. Mr. Richey responded that he would provide the answer to her question once he had a definitive number.

President Jischke stated that Iowa State University has 6,000 FTEs. Approximately 20 percent of those are 9-month employees; therefore, at Iowa State University the number of 9-month employees was approximately 2,080.

President Pomerantz stated the report indicated that the University of Iowa is in the middle ranking of the Big 10 with regard to salaries. He suggested the ranking should be higher than that and was an issue on which the administration should focus. In terms of recruiting, the higher salary rankings would help much more than they would cost.

Mr. Richey stated that the mix of faculty affects the average salary. A university could have a higher ranking individually but a lower overall ranking. For example, in the professor ranks, the salaries generally rank higher for full professors than for assistant professors and instructors.

Regent Tyrrell asked about the base used for the comparisons. Why are the rankings so much lower within a comparison group and more favorable within a conference?

Interim Provost Becker stated that for the University of Iowa, for example, in its comparison group there are simply more universities with substantially higher salary scales for faculty.

President Pomerantz stated that there are very strategic issues regarding quality goals and the effect of salaries on their ability to achieve those goals.

ACTION: President Pomerantz stated the Board received the annual salary report, by general consent.

**BOARD OFFICE PERSONNEL ACTIONS.** The Board Office recommended the Board ratify the Register of Personnel Transactions which included the following items:

Approve the reorganization of the Board Office and the establishment of the following new positions:

Board Office Professional and Scientific Classification System: Associate Director, Human Resources, pay grade 5 (\$40,715 - \$67,059)

University of Iowa Professional and Scientific Classification System: Regents Affirmative Action Officer/Assistant Director, Business and Finance, pay grade 10 (\$33,410 - \$59,000)

Promotion: RICHARD TIEGS from Research Analyst to Research Associate at an annual salary of \$36,000, effective September 22, 1995.

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

**EQUAL OPPORTUNITY REPORTS.** (a) Annual Targeted Small Business. The Board Office recommended the Board (1) receive the annual reports on targeted small businesses and (2) encourage Regent institutions and the Board Office to continue working with the Departments of Management, Economic Development, and Inspection and Appeals in order to increase purchases from Iowa targeted small businesses.

Regent institutions spent a total of \$458,185,532 in fiscal year 1995 for construction, goods, supplies and services of which \$10,145,743 (2.21 percent) was spent with targeted small businesses. Regent institutions have spent \$85,557,823 with targeted small businesses since 1986.

A shortage of targeted small businesses capable of providing goods, supplies and services in the commodities typically purchased by the Regent institutions continues to exist. Regent purchasing officers continue to report that the current targeted small business vendor base is not capable of supporting a targeted small business procurement goal of 10 percent.

Mr. Richey stated that this issue was covered in depth by the Priority Study Group on Affirmative Action, which is led by Regent Smith.

Regent Smith said the Study Group members continue to encourage the Board Office to work with different agencies to increase the utilization of targeted small businesses. She noted that the study group members and institutional officials had a good discussion of the issues.

ACTION: President Pomerantz stated the Board, by general consent, (1) received the annual reports on targeted small businesses and (2) encouraged Regent institutions and the Board Office to continue working with the Departments of Management, Economic Development, and Inspection and Appeals in order to increase purchases from Iowa targeted small businesses.

(b) College Bound Program and Iowa Minority Academic Grants for Economic Success (IMAGES). The Board Office recommended the Board receive the annual report on College Bound and Iowa Minority Academic Grants for Economic Success (IMAGES) programs.

The budget allocated to the College Bound and IMAGES programs in fiscal year 1996 was \$1,870,427.

	<u>IMAGES Program</u>	<u>College Bound Program Costs</u>
University of Iowa	\$ 630,000	\$110,000
Iowa State University	672,937	90,625
University of Northern Iowa	<u>286,865</u>	<u>80,000</u>
Total	\$1,589,802	\$280,625

The following table identifies the number of minority students by race/ethnicity who were assisted with IMAGES grants in fiscal year 1996.

	SUI		ISU		UNI		Total	
	<u>1995</u>	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>	<u>1996</u>
African-American	74	77	74	66	72	70	220	213
Hispanic	42	39	69	69	19	44	130	152
Asian	154	159	154	155	43	9	351	323
American Indian	<u>6</u>	<u>8</u>	<u>16</u>	<u>15</u>	<u>12</u>	<u>25</u>	<u>34</u>	<u>48</u>
Total	276	283	313	305	146	148	735	736

Patterns of distribution of IMAGES grants among classes of students varied significantly among institutions.

	SUI		ISU		UNI		Total	
	<u>1995</u>	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>	<u>1996</u>
Freshmen	69	51	84	79	60	55	213	185
Sophomores	57	56	56	56	35	44	148	156
Juniors	64	72	58	49	43	33	165	154
Seniors	<u>86</u>	<u>104</u>	<u>115</u>	<u>121</u>	<u>8</u>	<u>16</u>	<u>209</u>	<u>241</u>
Total	276	283	313	305	146	148	735	736

MOTION:

Regent Smith moved to receive the annual report on College Bound and Iowa Minority Academic Grants for Economic Success (IMAGES) programs. Regent Tyrrell seconded the motion.

Nancy Rusty Barcelo, Acting Director of Opportunity at Iowa, said the Opportunity at Iowa program was established in 1987. She discussed its purpose, history and accomplishments. For the second year in row minority enrollments at the University of Iowa have increased, to 9.2 percent of the total student body. The goal set by the Board of Regents is 8.5 percent. She described activities that need to take place to continue to increase the cultural diversity of the University of Iowa.

Regent Dorr stated that university officials had worked very hard to attract minority students to the University of Iowa campus. He questioned whether university officials had the ability to track what has happened to those individuals since they left the university.

Acting Director Barcelo stated that university officials are working to develop that type of data base. She reported that just from the notes and telephone calls received from former students, all indicators are that those students are making some outstanding contributions to society.

Regent Dorr urged university officials to work diligently to develop that data base so that individuals such as former Regent Furgerson could know that their efforts had paid off.

Regent Tyrrell asked about the inclusion of parents in conferences and other recruitment-types of activities. Acting Director Barcelo responded that Opportunity at Iowa officials first meet with school personnel and then move to the next stage which includes parents. She stressed that all of the programs at this time include a strong parent component.

Regent Tyrrell referred to activities of Opportunity at Iowa staff in various communities and asked if successful minority alumni are included in the presentations to students. Acting Director Barcelo responded that they do try to include alumni; they have found that some of the university's best advocates are its students, present and former. Certainly when prospective students are brought on campus university officials also involve current students. She cited an example of an African American alumnus who is an attorney in Waterloo; he is warm and generous in giving of his time.

Regent Tyrrell asked from where support comes for recruiting and retaining out-of-state students, in addition to IMAGES funds.

Ms. Barcelo responded that non-residents are not enrolled in the IMAGES program. For minority students with demonstrated need there are some Federal programs that are not state based.

VOTE ON THE MOTION: Motion carried unanimously.

(c) Regents Minority and Women Educators' Enhancement Program. The Board Office recommended the Board receive the report on Minority and Women Educators Enhancement Programs.

The continuation of appropriations and reallocations from prior fiscal years combined with university funds results in a total FY 1996 budget of \$595,975 for the program.

University of Iowa	\$383,975
Iowa State University	172,000
University of Northern Iowa	<u>40,000</u>
Total	\$595,975

The University of Iowa's program, begun in FY 1993, is administered by the Director of Opportunity at Iowa and the funds are used to support the first several years of newly-recruited faculty members' tenure at the institution. During FY 1996, the University of Iowa is using the program funds to support seven faculty positions in the College of Dentistry, the College of Engineering, the College of Law, the College of Liberal Arts, and the College of Pharmacy.

Since the program was initiated in FY 1990, Iowa State University has provided full or partial funding for 18 women or minority faculty members at a cost of \$758,700. Iowa State University is using its funds in FY 1996 to support two new tenure-track faculty appointments, and continue the faculty mentor program and the university-level internship program.

Other programs to enhance the hiring, retention, and advancement of minority and women educators at Iowa State University include the University Community Childcare and the Faculty Women's Network.

The University of Northern Iowa began its program in 1989 by supporting a minority faculty member for the Political Science Department and in 1990 adding support for an administrative/academic position of Associate Dean for the Graduate College and a faculty member in the Department of Educational Administration and Counseling. The FY 1996 University of Northern Iowa funds will be used for the continued support of the Political Science Department faculty member and the administrative/academic position.

MOTION: Regent Tyrrell moved to receive the report on Minority and Women Educators Enhancement Programs. Regent Smith seconded the motion.  
MOTION CARRIED UNANIMOUSLY.

**REVISION TO THE REGENTS POLICY ON PURCHASING AND MOVING EXPENSES, AND CAPITAL PROCEDURES CONTAINED IN THE PROCEDURAL GUIDE.** The Board Office recommended the Board approve revisions to the Procedural Guide related to purchasing, capital procedures and moving expenses as detailed below.

The following changes were proposed to Chapter VIII, Purchasing:

- o Change references of chief executive officer to institutional president or superintendent and purchasing agent to purchasing director to provide greater clarification and reflect current job titles.
- o Add services to the type of purchases made by the institution's chief business officer since they are a significant percentage of total acquisitions.
- o Delegate low dollar procurement authority to institution units through the use of credit cards or other appropriate instruments to reflect current practice.

- o Add failure timely to cure one or more noncompliant deliveries to the list of reasons that suppliers may be removed from the master list; occasionally the financial ramifications are significant to the institution.
- o Change references to reflect current law, rules, and/or Board policy for targeted small business, bidding, exceptions to Iowa State Industries purchases, movable equipment, and cooperative purchasing.
- o Open and read bids at the date and time specified in the written notice unless otherwise indicated in the bid documents to reflect current policy.
- o Allow the purchasing director's designee to review the recommendation of a buyer to award a bid to other than the low compliant bid and monitor the low bid rejections to reflect current practice; purchasing director shall review activity on a quarterly basis.
- o Delete the requirement that documentation for bid withdrawals be sent to the Board Office, since most withdrawals are due to accidental or insignificant errors resulting in unnecessary reporting.
- o Clarify that bid security is not discretionary for Academic Revenue Bonds and include the common conditions under which bid security is appropriate, listed in Chapter VIII of the Procedural Guide.
- o Delete requirement that institutions report directly to the Board Office any use of bid security not otherwise reported through the Regents Ad Hoc Purchasing Officers Committee to reflect current practice.
- o Delete requirement that purchase orders for equipment grouping under \$25,000 funded from academic revenue bond proceeds be ratified by the Regents, since not required by statute or bond covenant.
- o Renewal coal contracts with the same terms and conditions as the original contract do not need to be filed with the Board Office, since annual renewals generally are written only to differentiate the current fiscal year period.

The following changes were proposed to Chapter IX, Capital Procedures:

- o Change the requirements for presentation of the campus master plan so it will occur when the institution is proposing a change in land use or at the request of the Board rather than prior to each biennium; a presentation will occur at least once every four years.

The proposal provides flexibility regarding the timing of the presentation of the plan.

- o For projects under \$250,000, increase from \$25,000 to \$50,000 the cumulative amount of fees during a fiscal year for non-Iowa firms before specific Board authorization is required.

The Board Office will monitor fees for non-Iowa firms since all fees, including those for out-of-state firms, will continue to be reported on the semi-annual report.

- o Revise the section on the use of consultants for feasibility studies so that consultant fees between \$25,000 and \$50,000 would require the approval of the Board Office; fees exceeding \$50,000 would require approval of the Board.

Currently all agreements for which the fee exceeds \$25,000 must be reported to the Board in accordance with procedures established elsewhere in the *Guide*.

- o Increase from \$5,000 to \$10,000 the threshold for Board approval of the renovation, modification or improvement to the residence of the institutional head; all renovations, modifications or improvements will continue to be reported to the executive director before proceeding.
- o Increase from \$25,000 to \$50,000 the amount required for Board approval of change orders; all change orders will continue to be listed on the semi-annual report, which will enable the Board Office to monitor the number and size of these changes to construction contracts.
- o Eliminate paperwork which is not essential to the Board's and Board Office's duties and responsibilities for capital projects including submittal of final specifications to the Board Office, Board Office notification when institutions contract for architect/engineer services for projects less than \$250,000, and Board Office notification of final acceptance of contracts of more than \$1 million.
- o Add section requiring Board approval of amended and revised project budgets; this addition reflects current practice and is essential for Board oversight.
- o Make revisions consistent with current Iowa Code, including applicable chapter references.

The following changes were proposed to Chapter 4, Personnel, Section 4.31 - Moving Expenses:

- o Change the limit for moving expenses from 10,000 pounds to \$7,500 and allow an exception to pay for moving expenses for full-time employees not defined by receiving special approval from the appropriate dean/director or their designee to

consistently reflect current policies of other state agencies, current Iowa Code language, and current IRS guidelines.

MOTION: Regent Pellett moved to approve revisions to the Procedural Guide related to purchasing, capital procedures and moving expenses, as presented. Regent Smith seconded the motion.

Regent Dorr asked whether the changes had been reviewed by counsel. Mr. Richey responded that they had been, both by institutional counsel and the Attorney General's Office, to the extent appropriate. He said they were careful to make sure the language was consistent with the Code of Iowa.

VOTE ON THE MOTION: Motion carried unanimously.

**STATUS REPORT ON THE BOARD OFFICE BUDGET FOR FISCAL YEAR 1996.**

The Board Office recommended the Board receive the report.

Anticipated expenditures were expected to be very close to the budgeted amount for fiscal year 1996.

ACTION: The report was received by consent.

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

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

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

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

## STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, October 18, 1995.

Interim President Nathan announced that ex-president Sandy Boyd was returning to the University of Iowa as a one-half time professor of law. He said Dr. Boyd was a popular figure in Iowa City and elsewhere. He was delighted that Dr. Boyd had chosen to return to Iowa City and to continue his relationship with the university.

President Pomerantz thanked Interim President Nathan for the good news.

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

Register of Personnel Changes for August 1995.

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

**CONFLICTS OF INTEREST.** (a) Conflict of Interest Policy. The Board Office recommended the Board receive and approve the university's Conflict of Interest Policy, as presented.

University of Iowa officials developed a conflict of interest policy to ensure that University of Iowa employees' interaction with the wider community and the nation are consistent with the university's mission.

The policy notes that conflicts of interest can take many forms. The complete policy is on file in the Board Office.

Interim President Nathan stated that last year a faculty committee was established to work with university administrators to develop this policy.

Mr. Richey noted that the policy was presented to the Board members for their information; it did not require Board approval.

Regent Collins asked what had prompted the change. Professor Kurtz stated that Federal agencies, particularly the National Institutes of Health, required that all organizations receiving Federal funds have a new conflict of interest policy in place by October 1.

President Pomerantz expressed the Board's appreciation for the effort. Interim President Nathan noted that the development of a policy on conflict of interest that would be supported by faculty and staff on campus was Herculean in nature.

**ACTION:** President Pomerantz stated the Board received the university's Conflict of Interest Policy, as presented, by general consent.

(b) Conflict of Interest in Employment (Nepotism) Policy. The Board Office recommended the Board receive and approve the university's Conflict of Interest in Employment-Nepotism Policy.

A conflict of interest in employment arises whenever an employee has the responsibility to make or participate actively in making decisions or recommendations relating to the employment status of another individual if the two persons have one of the following relationships.

By blood or adoption: Parent, child, sibling, first cousin, uncle, aunt, nephew or niece

By marriage: Current or former spouse, brother- or sister-in-law, father- or mother-in-law, son- or daughter-in-law, step-parent, step-child

For purposes of this policy, decisions or recommendations related to employment status include decisions related to hiring, salary, working conditions, working responsibilities, evaluation, promotion and termination.

The Regents policy on nepotism is stated in the Board of Regents Procedural Guide, Section 4.11 Nepotism. The nepotism policies of the Regent institutions are consistent with the Code of Iowa, Chapter 71.1.

The university's revised policy was consistent with both Board policy and State law and broadened the kinds of relationships subject to the policy.

An individual is not deemed to make or actively participate in making decisions or recommendations if that employee's participation is limited to routine approvals and s/he plays no role involving exercise of any discretion in the decision-making processes.

If any question arises whether an individual's participation is greater than is permitted, the matter shall be immediately referred to the Committee on Conflict of Interest in Employment for appropriate resolution.

Violations of these policies by employees are deemed a serious violation of policies governing the staff member's employment and may be subject to appropriate disciplinary action.

Regent Collins noted that President-elect Coleman's husband would probably be teaching at the University of Iowa, and asked for an explanation of the applicability of the conflict of interest policy in that situation.

Interim President Nathan stated that the employment by the university of President Coleman's husband was not a conflict since the provost is responsible for the academic side of the institution, and presumably would not share with her matters pertaining directly to his employment. There would only be a problem if he were working in the office of the president.

**ACTION:** President Pomerantz stated the Board received and approved the university's Conflict of Interest in Employment-Nepotism Policy, by general consent.

**STRATEGIC PLANNING PROGRESS REPORT.** The Board Office recommended the Board receive a progress report on strategic planning at the University of Iowa.

The chair of the University Strategic Planning Committee, James Hinrichs, gave a presentation on the process used in developing a new strategic plan. The progress report on college planning provided a summary of the differences between the 1989/90 and 1995 strategic plans of the colleges and selected other first-level planning units.

The plans noted below were both a follow-up of the existing University of Iowa plan previously approved by the Board of Regents and the first step to the development of a new university plan to eventually be presented to the Board for approval. Development of a new plan is on hold pending the arrival of President-elect Coleman and review of strategic planning as a part of the organizational audit.

The College of Business Administration has significantly altered its primary strategic planning goals. The new plan emphasizes: 1) enrollment growth (since enrollments are now at a much lower level and graduate increases appear to be attainable with well-organized student recruiting efforts), 2) better curriculum integration, 3) specialized programs only in areas of particular faculty strength, and 4) research pre-eminence in a small set of areas and excellence in all critical areas.

The College of Liberal Arts' plan focuses on goals that will contribute to achieving the level of excellence to which the faculty aspires: a diverse, high-quality faculty of sufficient size; a diverse, high-quality student body; excellence in teaching and learning; and

improved infrastructure to support the teaching and research missions of the college. This plan incorporates some of the important objectives from the previous plan that had not yet been accomplished, but in large part consisted of new objectives and strategies, as the college met many of the objectives it set for itself in its earlier plan. Completely new were a more comprehensive mission statement, a limitation to four goals, and a greater emphasis on improvements in teaching and learning.

The College of Education's new strategic plan reorients the college significantly by 1) stressing that it is a professional college, since most of those it trains will become teachers and other types of educational practitioners; and recognizing that 2) the reorganization has worked and requires little further attention; 3) the college must build on successes in the areas of research and scholarship, program excellence, teaching, and professional partnerships; and 4) fewer (than nine) major goals will help focus the college's aspirations.

The College of Engineering completed a draft of a new plan. The college's long-term aspiration was modified to add "with selected areas in which the college holds a leading position nationwide" because, given the small college size, in order to gain national visibility the college needs to build on highly-selective areas of strength. The college needs at least a few programs that are on everyone's short list of premier programs in the nation, regardless of size. A new section on long-term growth potential was also added to the plan. No other public engineering college rated among the top ten in the nation has an FTE less than 100.

The Graduate College's 1995 strategic plan was predicated upon a much more comprehensive and realistic assessment of environmental assumptions; the number of goals was reduced from 10 to 5; there is increased emphasis upon retention, graduation and successful movement into career paths for minority and other underrepresented students recruited to Iowa graduate programs; and there is increased emphasis upon the contribution of the graduate program to the state of Iowa, as well as to the region, the nation, and the world.

The mission statement for the University Libraries was revised to reflect an increased emphasis on providing access to information regardless of where it may be found (locally or remotely), to reflect the staff of the libraries' increasing important leadership role on both the state-wide and national levels, and to reflect more directly the libraries' teaching mission in support of an information-literate academic community and general citizenry.

The activities of the colleges and other first-level units are consistent with the goals and objectives of the Board of Regents plan. Additional progress reports will be provided to the Board next spring after the new University of Iowa President is on the campus.

Interim Provost Becker introduced Professor James Hinrichs, chair of the university strategic planning group.

Professor Hinrichs provided background on and briefly reviewed the first-level strategic plans at the University of Iowa, noting that a full report would be presented to the Board next February after President Coleman has had an opportunity for review and input. He said the original plan was based on the erroneous assumption that outside funding would continue to increase. The plan, now entitled Achieving Distinction 2000, was completed in March 1995.

President Pomerantz asked how the planning process works within the colleges. Professor Hinrichs responded that each college is given a mandate to construct its own plan in close consultation with the university strategic plan.

President Pomerantz asked whether the collegiate efforts identified areas of excellence to emphasize and marginal areas to be de-emphasized. Professor Hinrichs said the collegiate committees can expect feedback on the extent to which they do so. The collegiate committees know the terms of the overall university goals and aspirations. Each unit has its own decision to make in terms of how it will focus its own plan.

President Pomerantz questioned whether the strategic plan was coming down or going up, or whether it happens both ways. Professor Hinrichs responded that one of the problems identified with the first plan was that it had to be the university plan first then the first-level plans, etc. They hope to move toward more parallel development between the first-level plans and the overall university plan. He noted that the strategic planning committee is now a continuing committee where it was not in the past. The university committee will be more informed now of all the first-level plans and a much more interactive process is expected in the future.

Professor Hinrichs stated that he has been an advocate of planning for a very long time. The colleges have to be "on board" with the direction in which the university is headed. He said that the more he has gotten involved in the strategic planning activity, the more he realizes that it is central in facing the future of the university.

President Pomerantz stated that the more difficult activity in strategic planning was the determination of what areas will not be emphasized.

Professor Hinrichs said he makes a distinction between what goes on at the undergraduate level and what goes on at the graduate level. There cannot be areas of distinction and focus within the graduate college without a parallel mission to have comprehensive undergraduate programs; a broad introduction to many fields must be offered at the undergraduate level. He said he did not think those ideas were contradictory. Officials in the professional colleges and in the graduate programs must know what their strengths and areas of focus are while still maintaining comprehensive undergraduate programs.

**ACTION:** President Pomerantz stated the Board received a progress report on strategic planning at the University of Iowa, by general consent.

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

## PERMISSION TO PROCEED WITH PROJECT PLANNING

### Development South of Burlington Street

University officials are considering several changes to the area south of Burlington Street. The area immediately south of Burlington Street and West of Madison Street is the proposed site for a planned parking and ground transportation center.

The Physical Plant Department currently occupies 17 separate buildings within six city blocks of land south of Burlington Street. To free this space for construction of the parking structure, the Physical Plant would be relocated further south; other service departments in the area, such as the Laundry and Motor Pool, would also be relocated. The relocation of the Physical Plant would be accomplished in accordance with internal and external reviews dating from the 1970s.

The consolidation of the Physical Plant into one location and the relocation of selected service functions would clear the way for construction of a new parking structure to serve present and projected parking needs on the east campus. Construction of the facility would provide the university with the opportunity to develop the south campus area in accordance with the University Campus Planning Framework. The consolidation of parking would free up a number of valuable parcels of land for more productive uses. The proximity of this site to the Main Campus and the Burlington Street bridge provides an ideal location to serve as a campus entrance, a collection point for incoming traffic, and a center for information and transportation services.

## PROJECT DESCRIPTIONS AND BUDGETS

Expansion of the East Campus Chilled Water Distribution System \$2,300,000

### Preliminary Budget

Construction	\$ 1,912,000
Design, Inspection and Administration	
Consultant	182,000
Architect/Engineering Services	13,000
Contingencies	<u>193,000</u>
 TOTAL	 <u>\$ 2,300,000</u>

Source of Funds:  
Utility Enterprise Improvement and

Replacement Fund	\$ 1,600,000
Income from Treasurer's Temporary Investments or Building Renewal	500,000
FY 1996 Capital Appropriations	<u>200,000</u>
TOTAL	<u>\$ 2,300,000</u>

This extension of the system will begin from the north edge of the Pentacrest to the area of the English-Philosophy Building and the Library and will connect the systems serving these buildings to this new source. The project will be bid in two packages: 1) exterior pipe installation and 2) interior building modifications and system connections.

Campus Fiber Optic Network, Project 7

\$1,136,000

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

Preliminary Budget

Construction	\$ 915,600
Design, Inspection and Administration	
Consultants	94,000
Architect/Engineering Services	34,400
Contingencies	<u>92,000</u>
 TOTAL	 <u>\$ 1,136,000</u>

University officials requested approval of a project description and budget for Project 7 of the Campus Fiber Optic Network which will include the installation of fiber optic cable and termination equipment in the campus ductbank system. The cable will be installed between four primary hubs (located in the Bowen Science Building, Lindquist Center, Chemistry Building, and Phillips Hall) and from each hub to the building it serves. The project will include the purchase and installation of the cable, connections and associated documentation.

Water Plant Laboratory Remodeling

\$421,500

Preliminary Budget

Construction	\$ 337,200
Design, Inspection and Administration	
Consultants	3,450
Architect/Engineering Services	47,150
Contingencies	<u>33,700</u>
 TOTAL	 <u>\$ 421,500</u>

Source of Funds:

National Science Foundation Grant	\$ 137,500
College of Engineering	118,000
Building Renewal	<u>166,000</u>

TOTAL \$ 421,500

University officials requested approval of a project description and budget to renovate the Environmental Engineering Research Laboratories in the Water Plant. The university has received a grant from the National Science Foundation to partially fund the project.

Children's Miracle Network Pediatric Intensive Care Unit  
Renovation and Expansion

\$265,575

Source of Funds: Donations to Children's Miracle Network

Preliminary Budget

Construction	\$ 220,500
Architectural/Engineering Support	12,000
Planning and Supervision	11,025
Contingency	<u>22,050</u>
 TOTAL	 <u>\$ 265,575</u>

University officials requested approval of a project description and budget to renovate approximately 7,900 gross square feet of space on the fifth level of the Carver Pavilion. The project will increase the existing patient care, family and staff support facilities of UIHC's Children's Miracle Network Pediatric Intensive Care Unit by expanding the unit into a portion of the space formerly occupied by the Surgical Intensive Care Unit. This project will also upgrade the finishes of the unit which are now over 14 years old and in need of replacement.

University officials presented the following revised project budget for Board ratification.

University Hospitals and Clinics--Pomerantz Family Pavilion Main Entrance Drop-Off Drive

Original Budget \$378,000  
Revised Budget \$396,974

Source of Funds: University Hospitals Building Usage Funds

Project Budget

	Original Budget <u>June 1995</u>	Revised Budget <u>Sept. 1995</u>
Construction	\$ 302,700	\$ 344,737
Architectural/Engineering Support	30,000	30,000
Planning and Supervision	15,000	5,000
Contingency	<u>30,300</u>	<u>17,237</u>
TOTAL	<u>\$ 378,000</u>	<u>\$ 396,974</u>

On September 14, 1995, the university received one bid for construction of the drop-off drive to serve the main entrance of the Pomerantz Family Pavilion. The single bid of \$344,737 exceeded the engineering estimate by approximately 14.9 percent. The university determined that the receipt of only one bid was due to the extensive amount of construction activity in the Iowa City and Cedar Rapids area.

The university investigated the possibility of redesigning the project in order to achieve cost savings. The project architect, however, indicated that this could not be accomplished without significantly reducing the project scope.

In order to proceed with the project, the university requested Executive Director approval of a revised project budget in the amount of \$396,974, an increase of 5 percent. This allowed the Executive Director to award the construction contract in the amount of \$344,737. This request was made by the university so that completion of the drive would accommodate the February 1, 1996, scheduled completion date for the Pomerantz Family Pavilion. This will also allow timely completion of certain portions of the project necessitated by weather conditions and coordination with institutional roads and major utility projects being accomplished in the area.

\* \* \* \* \*

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

\* \* \* \* \*

ARCHITECT/ENGINEER AGREEMENTS

University Hospitals and Clinics--A Family Care Center \$770,534  
Hansen Lind Meyer, Iowa City, Iowa

University officials requested approval to enter into an agreement with Hansen Lind Meyer to provide design services for the project. The agreement provides for a fee of \$770,534, including reimbursables.

Expansion of the East Campus Chilled Water Distribution System \$124,695  
Black and Veatch, Kansas City, KS

University officials requested approval of a negotiated agreement with Black and Veatch to provide project design services and administration for the project. The agreement provides for a fee of \$124,695, including reimbursables.

Campus Fiber Optic Network--Project 7 \$94,000  
MIS, Inc., Watertown, WI

University officials requested approval to enter into an agreement with MIS, Inc., to provide design, inspection, and administration services for the project. The agreement provides for a fee of \$94,000, including reimbursables.

University Hospitals and Clinics--Carver Pavilion West Mechanical \$54,700  
Equipment Upgrade  
Hansen Lind Meyer, Iowa City, Iowa

University officials requested approval of an agreement with Hansen Lind Meyer to provide design services for the project. The agreement provides for a fee of \$54,700, including reimbursables.

Expansion of the North Campus Chilled Water Plant \$42,000  
Black and Veatch, Kansas City, KS

University officials requested approval to enter into an agreement with Black and Veatch to provide a feasibility study of the expansion of the North Campus Chilled Water Plant. The North Campus Chilled Water Plant was constructed in 1988 with an ultimate capacity of 6,000 to 7,000 tons. The plant was constructed with an initial capacity of 3,000 tons, with an additional 2,000 ton capacity installed in 1992. Spaces and cooling towers are available for the final installation of 2,000 tons.

With the expansion of the east campus chilled water distribution system to serve the University Library and the English-Philosophy Building, and with projected chilled water demand, the university proposes to begin the planning process for the final expansion of the North Campus Chilled Water Plant. In order to ensure that the expansion of the plant is feasible, the university proposes to perform preliminary studies to ensure that adequate

utilities serve the plant. The study will also determine the most cost effective chiller equipment for the project.

University Hospitals and Clinics--General Hospital Electrical Distribution System Upgrade--Phase A \$32,300  
Design Engineers, Cedar Rapids, Iowa

University officials requested approval to enter into an agreement with Design Engineers to provide preliminary design services for the upgrade of the primary electrical distribution system of the General Hospital. The project is required to comply with Occupational Safety and Health Administration (OSHA) and National Electrical Code requirements. The agreement provides for a fee of \$32,300, including reimbursables.

Expansion of West Campus Chilled Water Plant \$30,000  
Black and Veatch, Kansas City, KS

After reviewing the goals of this project, university officials determined that it was necessary to perform a preliminary analysis of the West Campus Plant to assure that it can meet expectations for increased chilled water production at a reasonable cost. Therefore, the agreement with Black and Veatch will provide for a preliminary study only. A full agreement and preliminary budget will be presented for approval at a future date. The agreement provides for a fixed fee of \$30,000, including reimbursables.

Engineering Building Modernization Project  
Neumann Monson, Iowa City, IA/Anshen + Allen, Architects, Los Angeles, CA

The university received expressions of interest from ten firms to provide design services for the project. The Architect Selection Committee recommended the selection of Neumann Monson and Anshen + Allen to provide design services for the project. All of the teams interviewed had impressive credentials and extensive national-level experience with projects similar to the Engineering Modernization project. The Neumann Monson/Anshen + Allen association was thought to have a narrow advantage over the other teams.

Development South of Burlington Street  
Herbert Lewis Kruse Blunck, Des Moines, Iowa

University officials requested approval to enter into an agreement with Herbert Lewis Kruse Blunck to provide master plan assistance for the Development South of Burlington Street project including a review of the financial feasibility of constructing a replacement facility for Physical Plant services.

Amendments:

Campus Fiber Optic Network \$18,563

MIS Labs, Watertown, WI

Lower Finkbine--Repair Flood Damage \$2,330  
Shive-Hattery Engineers and Architects, Iowa City, IA

#### CONSTRUCTION CONTRACTS

Library Area Master Plan--North Pedestrian Walkway and  
South Plaza Developments \$852,339  
Award to: All American Concrete, North Liberty, IA  
(2 bids received)

University Hospitals and Clinics--UIHC Back-Up Boiler \$609,100  
Award to: Bowker Mechanical Contractors, Inc., Cedar Rapids, Iowa  
(5 bids received)

Madison Street Utility Tunnel Rehabilitation \$546,500  
Award to: Mid-America Construction Company of Iowa, Iowa City, Iowa  
(3 bids received)

Schaeffer Hall--Remodeling and Renewal--Utility Extensions \$460,139  
Award to: McComas-Lacina Construction Company, Inc., Iowa City, IA  
(2 bids received)

University Hospitals and Clinics--Pomerantz Family Pavilion \$344,737  
Main Entrance Drop-Off Drive

Award to: McComas-Lacina Construction Company, Iowa City, Iowa  
(1 bid received)

Campus Fiber Optic Network--Project 3, Contract 2 \$335,289

Award to: Wolf Construction, Iowa City, Iowa  
(2 bids received)

Campus Fiber Optic Network--Project 3, Contract 1 \$116,981

Award to: Gerard Electric, Iowa City, Iowa  
(2 bids received)

Schaeffer Hall--Remodeling and Renewal--Asbestos Abatement \$107,695

Award to: Curry Environmental Services, Marion, Iowa  
(4 bids received)

#### ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Power Plant Improvements--Contract 9

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

Engineering Building--Replace Windows

Robinson Energy Efficient Products, Baxter, Iowa

Hancher Auditorium Renovation

Merit Construction Company, Cedar Rapids, Iowa

University Hospitals and Clinics--Multi-Disciplinary Faculty and Staff  
Office Development

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

Dental Science Building--Reconstruct Visitor Parking Lot

All American Concrete, Inc., North Liberty, Iowa

MOTION:

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

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

University officials requested approval to renew its lease as lessee with Thomas Alberhasky for the university's use of 7,614 square feet of warehouse space located in Iowa City, Iowa, at the rate of \$2,855.25 per month (\$4.50 per square foot, \$34,263 per year) for a one-year term.

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

MOTION CARRIED UNANIMOUSLY.

**MEETING OF THE BOARD OF REGENTS AS BOARD OF TRUSTEES OF THE UNIVERSITY OF IOWA HOSPITALS AND CLINICS.** The Board Office recommended the Board (1) Receive the report of the University of Iowa Clinical Enterprise and authorize the University of Iowa Hospitals and Clinics and the University of Iowa College of Medicine to transfer \$18,945,000, one-half from each unit, to the University of Iowa Health System for the purpose of acquiring 100% of the capital stock of University of Iowa Community Medical Services, Inc. (UICMS), including \$18,445,000 to acquire, develop and coordinate a community practice network and \$500,000 to acquire 100 percent of the capital stock of the University of Iowa Community Homecare, Inc. (2) Receive the report on the operations of the UIHC.

The Board of Regents in its role as the Trustees of the University of Iowa Hospitals and Clinics was provided a quarterly report on operations of the UIHC. The agenda included an annual report on the clinical enterprise, review and update on UIHC operations, programs, finances and Family Care Center, operating plan for accomplishing the UIHC strategic plan goals, and status report on Federal initiatives dealing with educationally-related costs.

It has become critical that the university take steps to formalize long-standing relationships with community physicians and hospitals. In recognition of the unique characteristics of different communities, UIHC and the College of Medicine, through UIHS, have focused on the development of a continuum of potential relationships with community providers that will allow each interested physician or hospital to relate to UIHS.

The business of UIHS is conducted primarily through subsidiary organizations established and controlled by UIHS.

The Report on Clinical Enterprises included reports on the following subsidiary organizations: University of Iowa Affiliated Health Providers, L.C. (UIAHP); University of Iowa Community Medical Services, Inc. (UICMS); and University of Iowa Community Health Care, Inc. (UICH).

UIHC officials developed 12 major goals which are organized into 3 categories: (1) managing value; (2) managing health; and (3) managing markets.

(1) MANAGING VALUE:

GOAL: Reduce costs associated with providing patient care while maintaining/expanding support for educationally-related costs; patient care quality, service and access, yet also reducing costs.

STRATEGIES:

Continue the development and implementation of multidisciplinary CareMaps to standardize and streamline the care process for select patient populations, while optimizing patient outcomes.

Complete second generation of the MECON-PEER benchmarking survey and utilize results as one measure to guide budget growth curtailment goals for individual departments/units.

Develop and oversee process for departmental review of organizational structure and operations to identify cost-reduction opportunities.

Critically review opportunities to eliminate, reduce, defer or reclassify all open positions as they occur.

Expand existing group purchasing arrangements to achieve greater economies in drug and supply acquisition expenses.

Pursue alternative funding streams for graduate medical education and other educationally-related costs.

GOAL: Coordinate and balance efforts to manage quality and cost.

STRATEGIES:

Develop and implement educational programs for UIHC staff explaining the changing external environment and the associated implications for day-to-day operations in terms of the criticality of value management.

Perpetuate and refine the Process Improvement Grant Program, which provides small grants for innovative, multidisciplinary approaches to enhancing clinical and/or operational efficiency and/or effectiveness.

Develop an organizational structure to consolidate/coordinate institutional quality improvement efforts.

GOAL: Enhance the value of health science education and clinical research efforts while increasing efficiency of patient care.

STRATEGY:

Enhance the awareness of costs associated with the different service and treatment options involved in clinical decision making.

GOAL: Enhance information access and decision support in the Clinical Enterprise.

STRATEGIES:

Complete expanded implementation of a fiber-optic network in all UIHC buildings.

Initiate on-line clinician documentation in selected areas of the UIHC and create a clinical repository for all on-line patient data.

GOAL: Examine and refine operations at UIHC to ensure that all patients have user-friendly access to comprehensive high-quality health care services provided in an environment which consistently results in convenience, courteous, safe and timely patient care, while meeting the educational objectives of training programs.

STRATEGIES:

Improve convenience and accessibility of clinics.

Under the direction of the Director of Market Development, review existing clinical services using such measures as market needs/demands, congruence with the strategic plan, and various financial, utilization and quality parameters.

GOAL: Foster recruitment and retention of high-quality staff while enhancing the diversity of the staff.

STRATEGIES:

Maintain and strengthen efforts to recruit and retain high-quality staff.

Continue efforts to enhance the diversity of the UIHC's work force.

GOAL: Continue development of replacement facilities that will provide the State of Iowa and the University of Iowa with a modern comprehensive teaching hospital well into the 21st Century.

STRATEGIES:

Emphasize operational efficiency and effectiveness as well as patient/family comfort and convenience when developing new and renovated facilities.

Initiate planning, continue development and/or complete projects associated with the Pappajohn and Pomerantz Pavilions, including the Eye Institute, the Family Care Center and the Ear, Nose and Throat and Dental Institutes, among other units.

Continue minor addition and modernization projects to satisfy prevailing regulatory and code requirements and evolving clinical needs.

Plan to vacate outmoded UIHC space to accommodate general university academic programs and the Student Health Service.

MANAGING HEALTH:

GOAL: To improve the health of the population, UIHC should assume a leadership role in providing preventive health services and initiating health enhancement activities.

## STRATEGIES:

Monitor patient outcomes and changes in functional/health status over time in order to design appropriate interventions.

Expand focus on health education and promotion.

## MANAGING MARKETS:

GOAL: Expand the capacity of the UIHC to provide primary and community-based care to support increased emphasis on primary care education and to furnish the base for an integrated network of health services delivery capable of contracting for the comprehensive care of enrollees in managed care systems.

## STRATEGIES:

Create corporate entities, with specified governance structures, reporting relationships, areas of responsibility and necessary capitalization to provide the University of Iowa Medical Center with the capacity to accomplish such objectives as the acquisition and/or management of community physician practices; the development of new practices or services such as home health care; and the offering of equity interest in the Integrated Health Delivery system insurance product (Unity Choice).

Identify those communities that are critical to the network development efforts of the clinical enterprise and ascertain their level of interest in a formalized relationship with the university and/or a specified array of value-added services available to them within the context of such an affiliation.

Develop or secure the necessary capabilities, not currently available, to meet the identified needs of network affiliates, such as sophisticated practice management and expanded electronic linkages to the UIHC.

Collaboratively pursue developmental opportunities with community providers and employers in the Iowa City area.

Develop, recruit or establish linkages to supply sufficient internal primary care clinical capacity to meet the primary and preventive needs of patients enrolled in managed care plans affiliated with the university.

Provide convenient, accessible physical facilities and appointment availability as well as more efficient clinic operations, employing new modes of training/educating residents and students, to generate greater patient "throughput" and satisfaction without compromising the technical quality of those services.

Participate actively in the marketing of university-affiliated products, including Unity Choice and UICare.

GOAL: Develop new markets by creating and applying new knowledge to development of cutting edge clinical services and enhance competitiveness by refining provision of current clinical services.

STRATEGIES:

Introduce new clinical programs or technologies that meet specified return on investment parameters or that fulfill other objectives of the center within existing budgetary limitations.

Provide specialty outreach clinics to meet the identified needs of communities throughout the region.

Aggressively pursue contracting opportunities for comprehensive or specialized services with those organizations representing significant numbers or potential numbers of covered lives.

GOAL: Develop the capacity to support effectively the UIHC missions through a more sophisticated market analysis and communication mechanism.

STRATEGIES:

Develop or secure the expertise necessary to analyze the market in a sophisticated manner by such parameters as geography, clinical service, provider availability, general demographics, growth potential, referral patterns and employer/payor mix, as well as to use the acquired information to identify/address market opportunities/threats.

Target public information and fund development initiatives to maximize the potential opportunities identified through market assessments and to support the furtherance of institutional objectives.

Enhance relationships with community physicians, hospitals, the general public and other constituencies.

Vice President Manasse stated that in August 1994 the University of Iowa successfully recruited Robert Kelch as Dean of the College of Medicine; it simultaneously recruited successfully R. Edward Howell as Director, University of Iowa Hospitals and Clinics. He said those two individuals joined heads and hands and put forward a significant effort to address the current environment in which the institutions are operating. There has been a projection of trends for the future and a plan has been developed to respond to those trends.

Director Howell stated that much had transpired since he joined the university. He referred to the annual report on the clinical enterprise and said the clinical enterprise mechanism has been very effective in dealing with the thunderous health care environment. He then introduced Dean Kelch to share some of the past year's accomplishments and a view of what is on the horizon.

Dean Kelch summarized the activities of the clinical enterprise that have taken place during the last year and stated that many things had been accomplished. When he arrived at the University of Iowa there were vacancies for six department heads in the College of Medicine. He said he was very pleased to report that some outstanding leaders had been recruited for what is now called the clinical enterprise. There is also a new associate director at the University of Iowa Hospitals and Clinics for nursing and patient services. He said the College of Medicine underwent its accreditation review only a couple of months after he arrived at the university, and was fully accredited. He described some of the items that are being addressed as a result of the accreditation review including facilities needs. He said a major accomplishment was overcoming the inertia of resisting change. The College of Medicine emphasizes training in primary care. The research enterprise is developing nicely. There has been a 6 percent growth in research dollars to the College of Medicine; the majority of the research is performed at the University of Iowa Hospitals and Clinics.

Regent Collins expressed concern that the emphasis on primary care would lessen the emphasis on the six other disciplines for which the University of Iowa Hospitals and Clinics is ranked high nationally. Dean Kelch responded that those involved with the University of Iowa clinical enterprise are addressing the rate at which new specialists should be produced while maintaining specialty program quality.

Regent Collins questioned whether the national rankings would be jeopardized. Dean Kelch responded that everything would be done to maintain and strengthen program quality while reducing the number of persons being trained. He said clinical enterprise officials were working cooperatively and effectively with university leadership to develop UI Select to provide high-quality managed care and have done so in a very rapid and effective manner. He said enrollment had exceeded expectations by three-fold. The corporation is chaired by Vice President Manasse. He identified the corporation which houses the university's regional PHO and stated that Unity Choice is the main product of the PHO. The corporation is working cooperatively with the private sector toward a true community-wide health resource. A number of new initiatives are being reviewed, which he described. He said University of Iowa officials have embarked on an ambitious facilities master plan to address the facility needs of the health science campus with an emphasis on the College of Medicine.

Director Howell stated that a number of initiatives had taken place at the UIHC in the first quarter of fiscal year 1996. A comprehensive physician referral center will be operational by January 1, 1996, which will enhance the accessibility of the University of Iowa Hospitals and Clinics throughout the state. He said a second endeavor was in the area of ambulatory care. UIHC officials looked forward to the dedication of the

Pomerantz Pavilion. He said much attention had been given during the first quarter to development of network activities.

Director Howell stated that as Dean Kelch and he concluded their first year they were still eager and excited to continue their communications with the Board of Regents. He has been very impressed with the commitment of individuals throughout the state for the University of Iowa Hospitals and Clinics. He expressed appreciation for the support he had received thus far.

President Pomerantz congratulated Dean Kelch and Director Howell on the conclusion of their first year together. He said they brought to Iowa a really first-rate team. Their commitment was an outstanding statement to the public and he thanked them for all that they do. With regard to communications with the Board, he said it was going to be absolutely essential in the fast-changing health care delivery market. This Board must be continually appraised so it can make intelligent decisions regarding the programs. He urged University of Iowa clinical enterprise officials to make sure that all the Regents know what they need to know in order to be team players.

Director Howell said he certainly understood the obligation to communication.

MOTION:

Regent Tyrrell moved to (1) Receive the report of the University of Iowa Clinical Enterprise and authorize the University of Iowa Hospitals and Clinics and the University of Iowa College of Medicine to transfer \$18,945,000, one-half from each unit, to the University of Iowa Health System for the purpose of acquiring 100% of the capital stock of University of Iowa Community Medical Services, Inc. (UICMS), including \$18,445,000 to acquire, develop and coordinate a community practice network and \$500,000 to acquire 100 percent of the capital stock of the University of Iowa Community Homecare, Inc. (2) Receive the report on the operations of the UIHC. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

Vice President Manasse stated that for the next component of the presentation the Regents would put on the hats as the trustees of the University of Iowa Hospitals and Clinics. He asked Director Howell to begin the presentation.

Director Howell stated that before he presents the Board with an update from the first quarter of FY 1996, he also would provide a brief summary of the year in review. UIHC officials have been able to close the books and collect final operating statistics. He said that in-patient activity remained essentially stable. Outpatient activity continues to grow. Surgical volume is stable. UIHC concluded a year of strong performance in areas of

expense management. There was almost no growth in salary expenditures while accommodating an \$8+ million pay plan. He said salary savings occurred primarily by downsizing without a disruption in the work force. He asked John Staley and Ken Yerington to review the first quarter operations.

Mr. Yerington reviewed operating statistics and financial performance measures for the first quarter of FY 1996. He said there was a minor decrease (-1.1 percent) in total revenues due in part to the reduction in in-patient versus out-patient surgical procedures.

Regent Newlin asked why the bad debt item had improved so much. Mr. Yerington responded that last year the reserves for uncollectibles were increased.

Mr. Yerington stated that the operating margin of 5.7 percent was an improvement over last year. He cautioned that it would be very difficult to maintain that level in the face of Federal budget reduction proposals and the decline in patient volumes.

Regent Collins asked what would be the preferred operating margin. Mr. Yerington responded that the last time that question was asked his response was approximately 8 percent; however, that was no longer realistic. He said that nationally to achieve 3 percent was about what could be expected in a managed care environment.

Mr. Staley stated that on November 13 through November 17 a survey of the University of Iowa Hospitals and Clinics would be completed by the joint commission on health care accreditation. He noted that there are 175 different organizations that oversee one or more aspects of the University of Iowa Hospitals and Clinics.

Mr. Staley reviewed the quarterly operating report. The total admissions had increased although the composition of the admissions was changing significantly. He said acute admissions had declined by 11.9 percent due to two factors: 1) the movement of more patient care from inpatient to an ambulatory setting by the move to managed care and 2) at the beginning of calendar year 1995 three new bed categories were adopted at the University of Iowa Hospitals and Clinics. He said there has been a large growth in the number of admitted outpatients and a reduction in the average length of patient stay.

Regent Newlin asked how many patients were involved in the change of classification. Mr. Staley responded that almost all patients were affected. There has been a shift in classification from acute admission to admitted outpatient.

Regent Newlin asked if there would be any benefit to going back a year or two to reclassify admissions so they can compare "apples to apples". Mr. Staley responded that it would be quite a task to do so.

Mr. Staley stated that the case mix index was very similar to the preceding two fiscal years. He reviewed the case mix index compared to other hospitals in Iowa. He also reviewed the ambulatory care programs of the University of Iowa Hospitals and Clinics .

Regent Collins questioned whether the patient mix of complicated cases impacted on the primary care training for the medical school. Dean Kelch responded that it was having an impact. College of Medicine officials have to provide more opportunities in the community for students. He said that as tertiary care centers become more specialized it will become more difficult to meet the primary care training needs.

President Pomerantz asked for Dean Kelch's current view of the potential impact of legislation being formulated in Washington, D.C. effecting teaching hospitals.

Dean Kelch responded that there were many things that were of great concern as society seems to be pulling away from its previously-assumed responsibility to participate in the educational costs of medical students and other health care providers. The most onerous potential right now is the elimination of support of graduate medical education direct and indirect costs through the Medicare program. He said he was very concerned about that prospect which was another reason to keep the cost structure under very tight control and seek other ways to fund the educational mission of the both the University of Iowa Hospitals and Clinics and the College of Medicine. He said the managed care organizations are rationing reimbursement for hospitals and providers; every way they turn they are facing challenges.

Regent Collins said the Regents must get the word out to the citizens and the legislature; this is a very crucial stage in the evolution of health care reform.

Dean Kelch said he hoped that Director Howell and he were getting that word out. They are meeting with many community leaders, discussing issues and offering a range of opportunities for communities to participate with the university. He said they were working diligently on that effort and needed the Board's feedback on the directions in which they were proceeding.

Regent Collins asked if the clinical enterprise was in a survival mode. Dean Kelch responded that it was not. Other university medical enterprises did not get involved at the right stage; there are many disaster areas in medical education in this country.

Regent Tyrrell stated that officials of the University of Iowa Hospitals and Clinics and the College of Medicine have done planning and have prepared for this crisis as well as could be done at this time, and better than many. He felt they were as well positioned as they could and should be.

Mr. Staley reviewed the patient census data.

Regent Dorr asked where the ambulatory clinics are located. Mr. Staley responded that clinics are located all across the state but predominantly in the eastern part of the state.

He said there are 20 types of clinics, a number of which are highly specialized. (Later in the meeting Director Howell stated that there are 37 outreach clinics, not including the numerous child health outreach clinics located throughout the state.)

Mr. Staley reviewed the managed care patient volume, development of the new Family Care Center, progress in meeting capital replacement objectives, sources of capital development funds, and plans for future development. He noted that 97 percent of the funds used for capital replacement for the UIHC have come from self-generated paying patient revenues; none of the capital replacement funds came from State revenues. The facilities for family practice in the non-code conforming Steindler Building will be completely replaced.

Mr. Staley introduced Kent Bottles.

Dr. Bottles discussed the multiple purposes of the Family Care Center program. He said it is an outcare facility. The program will facilitate collaboration between units and will be a model for family providers of medical care.

Regent Tyrrell asked if the Family Care Center would have expanded hours. Dr. Bottles responded affirmatively.

Regent Tyrrell asked if after hours care would be offered. Dr. Bottles responded that it would not be offered.

Regent Tyrrell suggested that there may be a need to offer a 24-hour Family Care Center. Dr. Bottles responded that it was a good suggestion and would be given consideration.

Director Howell stated that before addressing the operating plan for accomplishing University of Iowa Hospitals and Clinics strategic plan goals, he wished to elaborate on earlier comments made by his colleagues and questions asked by Regents. With regard to comments made by Mr. Staley about the accreditation review survey, he said UIHC officials would be reporting the results of the survey to the Regents. Secondly, in response to a question by Regent Collins, Director Howell stated that UIHC officials will continue to provide the Regents with a barometer of what constitutes thriving in this changing health care environment. He noted that the perils of survival or non-survival will become greater with each passing day.

Director Howell proceeded to discuss the 12 specific goals within the UIHC strategic plan. He said the goals were organized into general categories of managing value, managing health and managing markets. Since July special tactical plans have been identified to operationalize each goal and accompanying strategies. He summarized key elements of the strategic plan. He noted that in pursuit of cost goals they cannot lose sight of quality and service. One such effort was the development of CareMaps to standardize and streamline the care process while optimizing patient outcomes. He

said UIHC officials will continue to pursue expansion of group purchasing activities. In order to be competitive, alternate streams of funding will be sought.

As a strategy for managing quality and cost, Director Howell stated that UIHC officials will perpetuate and refine the Process Improvement Grant Program which provides small grants for innovative, multidisciplinary approaches to enhancing clinical and/or operational efficiency and/or effectiveness.

Director Howell provided examples of additional strategies to manage value, manage health and manage markets.

Director Howell acknowledged that the University of Iowa Hospitals and Clinics has a long and nationally-recognized history of accomplishments. In order to sustain those accomplishments, initiatives will be pursued at the departmental and unit levels. An operating plan will be developed for each of the five fiscal years included in the strategic plan.

Regent Collins stated that if Iowa is going to have a first-class medical school and one of the largest teaching hospitals in the nation within the context of health care reform, competition, capitation, etc., there will need to be sources of financial support beyond obtaining operating efficiencies. The University of Iowa Hospitals and Clinics and the College of Medicine must be viewed as part of the overall educational system to receive support from the legislature.

Director Howell stated that Regent Collins was absolutely right. The next part of this presentation would address the Federal government's Medicare reform efforts and would allow them to focus on the impact and to engage in a meaningful discussion.

President Pomerantz stated that Regent Collins made a good point. Not only is communication with the Regents on a continuing basis important but communication with the Governor and the legislature, also, needs to take place. At some point in time they are going to be called upon. With the strategic planning process and the continuance of improvement toward quality, he said the people of Iowa will support the University of Iowa Hospitals and Clinics and the College of Medicine.

Director Howell discussed with the Regents the impact of Medicare reform proposals on funding of educationally-related costs of the University of Iowa Hospitals and Clinics. He described the potential impact of all the reductions, noting that much was still unknown about Medicare reform. UIHC officials monitor legislative activities daily and are beginning to make contingency plans. In order to close on an optimistic note, he said the picture looked much more optimistic now than it did in July.

Regent Newlin asked if the medical teaching hospitals were all being treated alike under the various Federal proposals. Director Howell responded that they were not. Many of the cost structures are based on historical costs; however, all teaching hospitals will experience the same percentage impact.

President Pomerantz thanked University of Iowa and University of Iowa Hospitals and Clinics officials for the report.

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

**RESOLUTION FOR THE SALE OF \$15,900,000 TELECOMMUNICATIONS FACILITIES REVENUE BONDS, SERIES SUI 1995.** The Board Office recommended that the Board adopt the following resolutions:

- (1) A Resolution providing for the sale and award of \$15,900,000 Telecommunications Facilities Revenue Bonds, Series S.U.I. 1995, and approving and authorizing the agreement of such sale and award.
- (2) A Resolution authorizing and providing for the issuance and securing the payment of \$15,900,000 Telecommunications Facilities Revenue Bonds, Series S.U.I. 1995, for the purpose of defraying costs of constructing, improving and equipping certain telecommunications facilities for The State University of Iowa, paying the costs of issuance and funding a reserve fund.

During the September 19, 1995, Banking Committee meeting, President Pomerantz asked Springsted to review the possibility of using a 5-year call option on the bonds rather than a 10-year call feature. As a result of discussions with a number of underwriting firms, the call provision was changed to 8 years.

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

The size of the bond issue including project costs, issuance costs and debt service reserve is \$15,900,000; the repayment period will be 15 years. The debt service on the bonds will be met through charges to users of the telecommunications facilities. The bonds also will be secured by a debt service reserve equal to the lesser of 10 percent of the bond principal or maximum annual debt service in any year prior to the final maturity year, together with investment earnings thereon.

The financing will enable the university to accelerate the completion of a modern campus network system in 1996 and 1997; the estimated date of completion is December 1997.

Other fund sources available for the telecommunications capital program are Telecommunications Improvement and Replacement Funds, Office of Information Technology Equipment and Improvement Funds, UIHC Building Usage Funds and Income from Treasurer's Temporary Investments.

## Bond Specifics

Average Maturity: 9.55 years  
Bonds Dated: November 1, 1995  
Interest Due: January 1 and July 1 commencing July 1, 1996  
Principal Due: July 1, 1997-2011 inclusive  
Optional Call: Bonds maturing on and after July 1, 2004 are callable on any date on or after July 1, 2003 at par  
Denomination: \$5,000 and integral multiples thereof

Mr. Fick of Springsted, Inc., reported that two bids were received. A syndicate led by Merrill Lynch bid a true interest rate of 4.9964 percent. The second bid was from a syndicate led by Piper Jaffray for a true interest rate of 4.9803 percent. He noted that there was only a \$36,000 difference in the interest costs of the bids.

Mr. Fick stated that the Piper Jaffray bid represented a very good bid in the market. He provided examples of two other issues which recently sold at 35 to 40 basis points higher than these bonds. The bond buyer index was 5.82 percent this week. The Piper Jaffray bid was 80 basis points below the bond buyer index. He recommended the Regents accept the Piper Jaffray bid.

President Pomerantz asked if he was best advised to abstain from voting on the bond sale. Mr. Haynie responded that abstention by President Pomerantz was probably appropriate.

MOTION: Regent Tyrrell moved to approve the two resolutions as outlined on page 356 of these Minutes. Regent Dorr seconded the motion, and upon the roll being called, the following voted:  
AYE: Dorr, Kennedy, Mahood, Newlin, Pellett, Smith, Tyrrell.  
NAY: None.  
ABSENT: None.  
ABSTAIN: Collins, Pomerantz.

MOTION CARRIED.

President Pomerantz thanked Messrs. Fick and Haynie for a job well done.

**AMENDMENT TO OAKDALE RESEARCH PARK LEASE.** The Board Office recommended that the Board (1) approve a mortgage loan not to exceed \$5 million between the University of Iowa Facilities Corporation and Firststar Bank for the acquisition of the Multi-Tenant Facility (Oakdale Research Park Building), and (2) approve a revision to the amended and restated Oakdale Research Park lease between the Board of Regents and the University of Iowa Facilities Corporation

extending the lease term to 15 years beginning November 1, 1995, subject to review and approval by the Attorney General's Office.

In September 1995 the Board approved the action by the Oakdale Research Park Corporation to designate the University of Iowa Facilities Corporation as its assignee to exercise the corporation's option to purchase the 48,000 square foot Multi-Tenant Research Facility (Oakdale Research Park Building) from CPMI-CRE Coralville Venture at a price of \$5 million.

CPMI's mortgage with Firststar Bank for the facility could be assumed upon exercise of the purchase option; the outstanding principal is \$4.4 million. This mortgage provides for a three-year adjustable rate mortgage amortized over 15 years; interest rate adjustments are determined by adding 180 basis points to the rate of the 36 month U.S. Treasury note.

The university's lease of the building for research needs is coterminous with this 15-year mortgage; the lease has another 12-1/2 years to run.

The existing monthly rental rate was \$47,831, which was equal to 1.12 times the monthly amortization payment required to be made by CPMI to Firststar Bank of Des Moines, pursuant to the terms of the financing.

To acquire the facility, the University of Iowa Facilities Corporation wishes to modify the loan commitment currently in place. The amount to be borrowed will not exceed \$5 million; amortization payments will be determined on the basis of an adjustable rate, 15-year, mortgage loan with the initial interest rate, set at the time of closing, equal to the 5-year U.S. Treasury Note yield plus 110 basis points.

With 7 percent mortgage financing, the monthly rental payment would be approximately \$45,750.

The current lease will be extended another 2-1/2 years for a total term of 15 years beginning November 1, 1995; the lease term would be coterminous with the new financing arrangements. The mortgage interest rate would be reset in 5-year intervals, based upon the 5-year U.S. Treasury Note yield plus 110 basis points; this would result in a corresponding adjustment in the rental rate, which will equal the monthly amortization payment.

**MOTION:** The motion for this item can be found under the Report of the Banking Committee, page 313 of these Minutes.

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

## IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, October 18, 1995.

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

Register of Personnel Changes for September 1995 which included eight requests for early retirement.

Approve the appointment of THOMAS J. BARTON as Director of the Ames Laboratory effective September 1, 1995, at an annual salary of \$142,500.

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

### **RENAMING OF EXISTING ISU CENTER FROM THE IOWA TRANSPORTATION CENTER TO THE TRANSPORTATION RESEARCH AND EDUCATION CENTER.**

The Board Office recommended the Board refer the requested change in the name of the Iowa Transportation Center to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The two reasons for this request were: (1) there is confusion between the "Iowa Transportation Center and field offices of the Iowa Department of Transportation "transportation centers" and particularly the "Central Iowa Transportation Center" located in Ames; and (2) there has been an expansion in the range of activities taken on by the center.

The center now has projects underway in about 20 states and in Canada. The mission and objectives of the center will remain unchanged. There are no budgetary implications of this name change.

ACTION: This matter was referred by consent.

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

PERMISSION TO PROCEED WITH PROJECT PLANNING

Utilities--Heating Plant--Chiller No. 4

The additional chiller will provide back-up service in the event of a malfunction of any of the three existing units, all of which are needed to meet the university's chilled water demand. The university completed a chilled water master plan in 1993 which forecasted the need for the additional chiller for the 1996 cooling season. Actual installation will be scheduled so that the unit will be available for service for the 1997 cooling season.

PROJECT DESCRIPTIONS AND BUDGETS

Utilities--Heating Plant--Chiller No. 4 \$2,500,000  
Source of Funds: Utility Repairs

Preliminary Budget

Contracts	\$ 1,700,000
Design Services	325,000
Construction Administration	30,000
University Services	40,000
Miscellaneous	5,000
Project Reserve	<u>400,000</u>
 TOTAL	 <u>\$ 2,500,000</u>

University officials requested approval of the project budget in the amount of \$2,500,000 for the purchase and installation of an additional chiller in the Heating Plant.

Utilities--Heating Plant--Replace Chiller No. 1  
Refrigerant Condenser

\$450,000

Source of Funds: Utility Repairs

Project Budget

Contracts	\$ 380,000
Design Services	35,000
Construction Administration	4,500
Miscellaneous	500
Project Reserve	<u>30,000</u>
 TOTAL	 <u>\$ 450,000</u>

University officials requested approval of a project description and budget to replace the refrigerant condenser on Chiller No. 1 in order to provide adequate water flow to the unit. Following the conversion of Chiller No. 1 to a non-ozone depleting refrigerant, operating problems indicated an inadequate circulating water flow on the unit. The extreme heat and humidity of this past August resulted in extremely high chilled water loads that severely taxed the chilled water system. The new refrigerant apparently has less operating margin, but the university believes that the strain on the system would have resulted in similar problems with the old refrigerant.

\* \* \* \* \*

University officials submitted one revised project budget for approval by the Board.

Athletic Office and Training Facility

May 1995 Budget \$10,630,000  
Revised Budget \$11,830,000

Project Budget

	<u>May 1995 Budget</u>	<u>Revised Budget Oct. 1995</u>
Contracts	\$ 8,515,315	\$ 9,381,000
Site Development/Land Acquisition	12,000	12,000
Design Services	810,385	937,345
Construction Administration	138,800	157,100
University Services	14,000	55,000
Miscellaneous	6,500	9,000
Landscaping	30,000	100,000
Utility Extensions	45,000	25,000
Movable Equipment	400,000	390,000
Art Work	53,000	59,150
Building Automation	90,000	90,000
Telecommunications	20,000	20,000
Project Reserve	<u>495,000</u>	<u>594,405</u>
TOTAL	<u>\$10,630,000</u>	<u>\$11,830,000</u>
Source of Funds:		
ISU Foundation	\$ 8,630,000	\$ 9,830,000
Treasurer's Temporary Investments	<u>2,000,000</u>	<u>2,000,000</u>
TOTAL	<u>\$10,630,000</u>	<u>\$11,830,000</u>

University officials requested approval of a revised project budget in the amount of \$11,830,000, an increase of \$1,200,000, to include the installation of a natural grass field to replace the existing artificial turf in Cyclone Stadium. The existing turf is 20 years old and in critical need of replacement. It will probably not be playable for another season. University officials wish to install the natural grass field prior to the 1996 football season.

\* \* \* \* \*

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

\* \* \* \* \*

ARCHITECT/ENGINEER AGREEMENTS

University Child Care Facility \$27,400  
Baldwin White Architects, Des Moines, Iowa

University officials requested approval of an agreement with Baldwin White Architects to provide schematic design services for the project. The university received expressions of interest from ten firms to provide design services on this project. The university selected four firms for interviews and is recommending approval of the selection of Baldwin White Architects. The Baldwin White firm demonstrated extensive experience and ability to complete the project.

Bilsland Swine Breeding Farm--Renovate Facilities--Phase I \$2,140  
Curry-Wille and Associates, Ames, Iowa

#### CONSTRUCTION CONTRACTS

Bilsland Swine Breeding Farm--Renovate Facilities--Phase 1--Farrowing and Nursery Building

One bid, which exceeded the engineering estimate, was received for this project. On September 8, 1995, the Executive Director authorized the university to reject the bid and reevaluate and re-bid the project at a future date.

#### ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Parking Lots 28 and 29 Improvements  
Manatt's, Inc., Ames, Iowa

General Campus Water and Wind Damage--Vet Med Condensate Line Replacement--Phase 2  
ACI Mechanical Corporation, Ames, Iowa

General Campus Water and Wind Damage 1993--Heating Plant--Railroad Siding  
Shaw Engineering Company, Indianola, Iowa

Utilities--Increased Chilled Water Capacity--Phase I--Mechanical Package No. 10  
Manning-Seivert Mechanical Contractors, Granger, Iowa

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

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

University officials requested approval to enter into a new lease as lessor with VisionAire Corporation for its use of 272 square feet of space in the Iowa State Innovation System at the ISU Research Park at the rate of \$300 per month (\$13.24 per square foot, \$3,600 per year) on a month-to-month basis.

University officials requested approval to extend its lease as lessor with William Gardner for his use of 4,176 square feet of space in Hangar #1 at the ISU Flight Service at the rate of \$375 per month (\$1.08 per square foot, \$4,500 per year) for a one-year period.

University officials requested approval of a Memorandum of Understanding with the North Central Iowa Research Association for the Agriculture and Home Economics Experiment Station's operation of 170 acres of farmland located in north central Iowa, at an estimated cost of \$3,566 per year, effective upon Board approval through April 1, 2010.

University officials requested approval to enter into a new lease as lessee with Western Iowa Tech Community College for the university's use of 1,148 square feet of office space located in Sioux City, Iowa, at the rate of \$984.53 per month (\$10.29 per square foot, \$11,814.36 per year), and 45 square feet of storage space to be leased at no cost to the university, for a five-year period.

MOTION: Regent Collins moved to approve leases, as presented. Regent Kennedy seconded the motion, and upon the roll being called, the following voted:  
AYE: Collins, Dorr, Kennedy, Mahood, Newlin, Pellett, Pomerantz, Smith, Tyrrell.

NAY: None.  
ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

**FINANCING OF THE IOWA STATE UNIVERSITY MEMORIAL UNION REMODEL.**

The Board Office recommended that the Board Adopt a Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$7,300,000 First Mortgage Notes of the Iowa State Memorial Union, directing publication of notice of intention to issue, and directing the Executive Director to call a public hearing on the proposal to issue said Notes and to set an interest rate and fix a date of sale for the said Notes; and related matters.

The Board was requested to adopt a Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$7,300,000 First Mortgage Notes of the Iowa State Memorial Union, directing publication of notice of intention to issue, and directing the Executive Director to call a public hearing on the proposal to issue said Notes and to set an interest rate and fix a date of sale for the said Notes; and related matters.

Under the terms of the resolution, the Executive Director would be authorized to fix one or more dates on or prior to November 30, 1995, for the sale of the notes in an aggregate principal amount not to exceed \$7.3 million and to approve an interest rate for the Notes at an average interest cost not to exceed 5.5 percent per annum.

At its September 20, 1995, meeting, the Board authorized the Memorial Union Board of Directors to proceed with the Iowa State University Memorial Union Food Service and Student Office Space Remodeling (37,000 gross square feet of the ground floor at an estimated cost of \$5.8 million) and Financing, subject to final review by the Regents legal and financial advisors.

The Board adopted at its September 1995 meeting a resolution authorizing the Iowa State Memorial Union to begin initial proceedings for the sale of notes in an amount not to exceed \$7.3 million.

Proceeds from the notes are to be used for the renovation of the ground floor of the Union and to refund existing promissory notes.

Since the September Board meeting the University and Memorial Union Corporation have been working with the Regents legal advisor to review and resolve legal issues regarding the project and its financing. As a result of the review, the union will finance directly the portion of the project for the franchise space, approximately \$312,000.

MOTION: The motion for this item can be found under the Report of the Banking Committee, page 314 of these Minutes.

President Pomerantz then asked Board members and institutional officials if there were additional items for discussion pertaining to Iowa State University.

President Pomerantz asked that Iowa State University officials return to the Board at its March meeting with an update on the university's strategic plan.

President Jischke asked in what sense the plan was to be updated. President Pomerantz responded that it would be an opportunity to present any changes and an opportunity for additional Board discussion.

President Jischke asked if there were any specific issues the Board members might want to have addressed. President Pomerantz said he sensed the Regents would be in touch with him if there were specific issues.

## UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday, October 18, 1995.

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

Register of Personnel Changes for September 1995.

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

**REPORT ON THE TWO PLUS TWO PROGRAM BETWEEN UNI AND DMACC, CARROLL CAMPUS.** The Board Office recommended the Board receive the oral report on the University of Northern Iowa - Des Moines Area Community College (Carroll) Elementary Education 2 plus 2 program.

Earlier this year Regent Pellett requested a report on the University of Northern Iowa, Des Moines Area Community College (Carroll) Elementary Education 2 plus 2 Program. This report responded to the request by describing the cooperative effort between the two institutions at the Carroll campus.

Students enrolled in this program complete the first two years of the program as students of DMACC and the last two years as students at the University of Northern Iowa.

This collaborative effort offers career opportunities in teaching for students previously geographically isolated from a teacher education program. The curricular emphasis is on the preparation of teachers in rural settings. Both state and national data show a shortage of elementary teachers especially for rural and small communities.

A \$315,000 three-year grant from the Fund for the Improvement of Post-Secondary Education is providing initial support for the program. A decision on future funding for the program will be made at the conclusion of the three-year project.

Dean Switzer stated that the university has experienced difficulty for many years in providing opportunities to citizens in the western part of the state. He said the University of Northern Iowa president and Des Moines Area Community College president began speaking in 1991 about how to address the issue. A survey of teachers in southwest Iowa was initiated by DMACC. What has emerged is a four-year elementary education program at DMACC in Carroll where students take their first 2 years in the teacher education program as DMACC students and the final 2 years as University of Northern Iowa students. He introduced Richard Hawkes, Professor, Student Field Experience, University of Northern Iowa.

Professor Hawkes discussed the operation, organization and current status of the two plus two program. He said the Improvement of Post-Secondary Education grant was a highly-competitive grant, which was won for three basic reasons: 1) the program's focus on rural education, 2) the probability of the program becoming a model for other institutions, and 3) the unique nature of the collaborative project. The program received excellent support from Iowa's congressional delegation and the Carroll community.

Professor Hawkes stated that there are more than 420 elementary teachers over the age of 55+ teaching in western Iowa. He said the Carroll program is having a direct impact on the lives of people; he sees it every day. The spirit of cooperation exhibited in the development of the two plus two program is the same spirit that will be used to find the funding necessary to continue the program at the end of the grant funding. He introduced Donna Schumacher, Assistant Professor, Curriculum and Instruction, University of Northern Iowa.

Professor Schumacher discussed the significance of the project that allows teachers to complete their degrees in their home community and the high quality of the collaborative effort. The courses offered in this program are of the same quality as courses offered on the Cedar Falls campus. Faculty increasingly will be using the Iowa Communications Network to provide coursework.

Dean Switzer stated that the offering of alternative degree programs for non-traditional students is sometimes the only way those students can complete their degree programs.

Regent Tyrrell asked about the allocation of the \$315,000. Dean Switzer responded that most of the planning money is used for faculty who teach in the program. Faculty from the University of Northern Iowa go to Carroll to teach and also will provide coursework over the Iowa Communications Network. He said that as the program matures there will be increasingly more classes taught on the Iowa Communications Network.

Regent Tyrrell said he thought the Iowa Communications Network was a sterile and impersonal medium. He asked if courses would be partly taught on the Iowa Communications Network and partly taught by live instructors.

Dean Switzer said he suspected that what would eventually happen would be a combination.

Regent Tyrrell asked if students would ever come to the University of Northern Iowa campus. Dean Switzer responded that there was no need for students in this program to come to the campus.

Regent Dorr referred to the statement that both state and national data indicated a shortage of teachers for rural communities, and asked what data was utilized for the statewide information. Dean Switzer responded that most of the data comes from Iowa State University.

Professor Hawkes said the information he referred to concerning the number of teachers age 55+ in western Iowa was derived through the most current Department of Education and Iowa State Education Association data. The numbers represented a 60- mile radius around Carroll.

Regent Dorr questioned whether those statistics represented valid numbers because the numbers were not typical of his community.

President Pomerantz said the cooperation between the community colleges and the Regent universities was a terrific manifestation of what needs to happen if the institutions are to continue to go forward and reach the desired quality levels. He said those involved certainly were to be complimented not only for providing a service but for the cooperative element of this project. When the various sectors of education begin to work together the entire state benefits. He encouraged them to expand their efforts and continue moving forward.

Regent Kennedy asked whether there was an advisor at DMACC in Carroll to assist the students in the two plus two program. Professor Hawkes responded affirmatively, naming a particular individual who is on the campus a minimum of 3 days/week including evenings, who is paid by the College of Education. A student center was developed for two plus two students. DMACC advisors are also trained in the University of Northern Iowa's model for assisting entering students.

ACTION: President Pomerantz stated the Board received the oral report on the University of Northern Iowa - Des Moines Area Community College (Carroll) Elementary Education 2 plus 2 program, by general consent.

**REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.** The Board Office recommended the Board approve the Register of Capital Improvement Business Transactions, as presented.

#### PROJECT DESCRIPTIONS AND BUDGETS

Bartlett/Lawther Halls--Exterior Repairs--Phase I

\$250,000

Source of Funds: Residence System Improvement Funds

Preliminary Budget

Contracts/Purchase Orders	\$ 217,000
Consultant/Design Services	21,700
Contingencies	<u>11,300</u>
 TOTAL	 <u>\$ 250,000</u>

University officials requested approval of a project description and budget to begin a series of repairs to the exterior of Bartlett and Lawther Halls. The project will address various items included in a 1995 feasibility study of exterior repairs of the two buildings.

\* \* \* \* \*

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

\* \* \* \* \*

ARCHITECT/ENGINEER AGREEMENTS

Baker Hall--Exterior and Electrical Repairs (Electrical Contract) \$10,700  
Alvine and Associates, Omaha, NE

University officials requested approval to enter into an agreement with Alvine and Associates to provide electrical engineering services for the project. The agreement provides for a fee of \$10,700, including reimbursables.

CONSTRUCTION CONTRACTS

McCollum Science Hall--Renovation of Chemistry and \$340,861  
Environmental Science Research Facilities  
Award to: Peters Construction Corporation, Waterloo, Iowa  
(2 bids received)

MOTION: Regent Smith moved to approve the university's capital register, as presented. Regent Mahood seconded the motion. MOTION CARRIED UNANIMOUSLY.

**MILEAGE REIMBURSEMENT POLICY.** The Board Office recommended the Board approve a mileage reimbursement rate of \$.28 per mile for the University of Northern

Iowa retroactive to July 1, 1995, when a motor pool vehicle is not available and the employee must use his/her personal vehicle.

University of Northern Iowa officials requested an increase in the mileage reimbursement rate as approved by the Board for the other Regent institutions. Adoption of the recommended action would revise Section 7.35A of the Board of Regents Procedural Guide as follows:

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

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

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

The estimated cost of this change in policy for the University of Northern Iowa was approximately \$3,500.

The faculty and staff affected include continuing education/extension and student field experience personnel.

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

MOTION:

Regent Newlin moved to approve a mileage reimbursement rate of \$.28 per mile for the University of Northern Iowa retroactive to July 1, 1995, when a motor pool vehicle is not available and the employee must use his/her personal vehicle. Regent Mahood seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

## IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Wednesday, October 18, 1995.

Superintendent Thurman introduced Kaari Kreitlow, a senior at Iowa Braille and Sight Saving School. Ms. Kreitlow was doing a report on the Board of Regents for government class.

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

Register of Personnel Changes for the period August 13 to September 23, 1995.

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

**STRATEGIC PLAN, 1994-96.** The Board Office recommended (1) the Board receive the report of Iowa Braille and Sight Saving School on its strategic planning progress during 1994-95, (2) the Board approve the school's strategic planning goals and major initiatives for 1995-96, and (3) Iowa Braille and Sight Saving School should develop a new four-year plan to be reported to the Board of Regents next summer.

### Part 1 - Strategic Goals

The strategic planning process used by the school is based on eight Board approved goals for IBSSS. The Outcomes Accreditation process has developed six broad student outcomes to further focus the eight strategic goals

### Part 2 - Environmental Assessment

The school's environmental assessment looked at three areas: internal school climate, Iowa issues, and national issues.

*Internal school climate.*

In spring 1994 many staff expressed frustrations concerning leadership within the school, interdepartmental cooperation, and a change in the type of students served.

All the staff were involved in developing a plan to address as many issues as possible in order to improve the school's internal climate. Topics covered in these small group meetings were student behavior management, physical facilities and access issues, vision and programming, personnel, internal communication, staff development, and school structure.

One of the school's initiatives for 1995-96 was based on this environmental assessment.

*Iowa Issues.*

Meetings with the Iowa Department of Education begun in 1993-94 were structured into an informal group called the Association of Service Providers (APVI) and approximately 4-6 meetings are held annually. Broad issues being addressed are

- o the direction of the State Vision Grant which supports outreach efforts, admission procedures, and related matters at Iowa Braille and Sight Saving School
- o development of a philosophy of service to recognize all parties which play a role in the education of the blind, visually impaired, and multidisabled students.
- o conduct of an informal study by the State Vision consultant to determine gaps in Braille instruction.

### Part 3 - Six Major Initiatives: Progress and Plans

During 1995-96 the Iowa Braille and Sight Saving School expects to continue six major initiatives begun in 1994-95.

*Initiative A. School Improvement Plan/Outcomes Accreditation.*

The school entered into Phase VI for implementation of its school improvement plan.

Target Area Committees established data collection systems to evaluate progress toward selected goals. During 1994-95 baseline data on students was collected and expectations established.

The results of the first team visit by the North Central Association indicated that considerable effort had been expended in making the Outcomes Accreditation process an effective one.

*Initiative B. Develop and Implement Strategies for Enhancing School Climate.*

In the process of developing a vision statement and broad student outcomes, staff began to work together. Conflicts and diverse opinions made it evident the school needed to revise team work strategies.

The school was now ready to write an action plan to implement and evaluate a program to move closer to the ideal climate and was exploring the possibility of the Communication Committee taking on this project. The staff development plan in Initiative D describes many of the efforts taken by the staff to address this critical issue.

*Initiative C. Develop and Implement a Reorganization Plan.*

During 1995-96 groups of students will be placed together in both classes and dorms to facilitate closer communication among staff.

A turnover in personnel in the principalship of the school has slowed progress in moving toward a unitary structure.

The reorganization calls for a very high level of staff participation. Literally every staff member from all programs has been part of this initial process.

A unitary structure will ensure that the school's activities are centered around student needs and outcomes and that services reflect the changing needs of students across the state.

*Initiative D. Staff Development Plan.*

Training opportunities were provided to meet the needs of both faculty and paraprofessionals as well as support staff.

Staff development materials were purchased for Iowa Braille and Sight Saving School's library.

Training for staff on a system of intervention was held in January and February for six sessions.

Nearly 50 staff and related professionals attended a Saturday workshop on autism among blind or visually impaired children.

Training on the assessment of communicative intent took place at the Fall Vision Conference.

The school supported faculty attendance at the 1994 Closing the Gap conference.

Training opportunities for all staff will again be made available in 1995-96.

Changes in the busing schedule and school calendar will make possible more in-service time for faculty and staff during 1995-96.

*Initiative E. Develop and Implement ADA Compliance Review.*

The school prepared a formal self-evaluation and was in the process of completing a transition plan to meet the requirements of the Americans for Disabilities Act (ADA). A thorough and detailed assessment of physical facilities formed the basis for the school's ADA capital budget requests.

During 1994-95 a wheelchair elevator was installed, a new van was purchased, school bathroom remodeling was begun, and the fire alarm system was upgraded.

The school will continue to review issues surrounding employment practices. The school continues to work to complete the ADA compliance plan for Title I.

*Initiative F. Continue Technology Investigation.*

Iowa Braille and Sight Saving School continues to add to the technology options available to students.

The 1995 legislative session placed the school among those agencies designated under Phase III of Iowa Communications Network construction. The General Assembly appropriated \$250,000 for both special schools to initiate hook-up to the Iowa Communications Network and the school is developing other funding strategies to support this effort.

The school has partially completed investigation into going on-line to the Internet. School administration has Internet access and the school library provides access to the Internet through the use of speech output devices on the school's computers. Speech output devices present written information in oral form.

Consultation on a technology plan through the College Community Schools (public schools on the southern boundary of Cedar Rapids) is aimed at developing a multi-year plan to expand the capability and accessibility of technology across the school. The multi-year plan is expected to be completed in the fall of 1995.

Part 4 - Fiscal Impact, Needs, and Reallocations

For its fiscal year 1996 operating budget the school received strong support from the Governor, General Assembly, and the Board of Regents.

Support for the following projects and associated goals was received:

School Bus - \$52,000 (Board goal 5: Campus facilities and equipment)

Annualization - \$27,786 (Board Goal 7: High quality and diverse staff)  
Salary and fringe benefit policy - \$109,740 (Board Goal 7)  
New Boilers - \$296,000(Board Goal 5)  
Telephone System - \$45,000 (Board Goal 5)  
Support for ICN hookup - costs part of total state costs for Phase III (Board Goal 1:  
Quality educational program; Board Goal 2: Curricula and instructional  
methodologies; Board Goal 3: Resources and services for visually impaired;  
Board Goal 5)

To further carry out its strategic plan, the school plans to reallocate services.

**ACTION:** President Pomerantz stated (1) the Board received the report of Iowa Braille and Sight Saving School on its strategic planning progress during 1994-95, (2) the Board approved the school's strategic planning goals and major initiatives for 1995-96, and (3) Iowa Braille and Sight Saving School should develop a new four-year plan to be reported to the Board of Regents next summer, by general consent.

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

**APPROVAL OF TEMPORARY CONTRACTS FOR ITINERANT TEACHERS OF STUDENTS WITH VISUAL IMPAIRMENTS (ITSVI).** The Board Office recommended the Board approve three temporary contracts between Iowa Braille and Sight Saving School and Evelyn Bruns-Seybert, Ruby Eschen, and LeeAnn Back to be itinerant teachers of students with visual impairments, as follows:

With Evelyn Bruns-Seybert at the rate of \$28.29 per hour for an average of 20 hours per week;

With Ruby Eschen at the rate of \$34.64 per hour for an average of 15.5 hours per week, and;

With LeeAnn Back at the rate of \$19.20 per hour for an average of 9.5 hours per week.

The three contracts submitted for approval were similar to the school's other professional contracts as previously approved by the Board in June, except these were temporary contracts for services until the school can hire a permanent itinerant teacher.

The services performed by the temporary teachers are a critical part of the outreach services provided to visually impaired students served by Loess Hills Area Education Agency 13.

The three temporary teachers are filling the equivalent of one full-time position. The total hours for the three teachers exceeds 40 because of the extra travel time some of them require to work in AEA 13.

IBSSS is actively seeking a permanent full-time itinerant teacher to work in AEA 13 starting in January 1996.

The contracts were reviewed and approved as to form by the Attorney General's office.

ACTION: The contracts were approved by consent.

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

#### **ADJOURNMENT.**

The meeting of the State Board of Regents adjourned at 12:58 p.m., on Wednesday, October 18, 1995.

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Robert J. Barak  
Deputy Executive Director