

The State Board of Regents met on Thursday, October 17, 1996, at the University of Northern Iowa. The following were in attendance:

October 17

Members of State Board of Regents

Mr. Newlin, President	All sessions
Mr. Arenson	All sessions
Mr. Dorr	All sessions
Mrs. Kennedy	All sessions
Mr. Lande	All sessions
Ms. Mahood	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
Associate Director Racki	All sessions
Assistant Director Tiegs	All sessions
Minutes Secretary Briggle	All sessions

State University of Iowa

President Coleman	All sessions
Provost Whitmore	All sessions
Vice President True	All sessions
Associate Vice President Small	All sessions

Iowa State University

President Jischke	All sessions
Provost Kozak	All sessions
Vice President Madden	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 the President Geadelmann	All sessions
Director Chilcott	All sessions

Iowa School for the Deaf

Superintendent Johnson	All sessions
Director Heuer	All sessions

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Interpreter Reese

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 Thursday, October 17, 1996.

APPROVAL OF MINUTES OF BOARD MEETING OF SEPTEMBER 17-18, 1996. The Board Office recommended the Board approve the minutes, as written.

President Newlin asked for corrections, if any, to the minutes.

ACTION: President Newlin stated the Board approved the minutes of the September 17-18, 1996, meeting, as written, by general consent.

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

Receive the status report on the Board Office budget for FY 1997;

Receive the capital register for the Iowa Braille and Sight Saving School (no transactions);

Receive the capital register for the Iowa School for the Deaf (no transactions); and

Refer the University of Iowa request to discontinue the minor program and the B.A. and B.S. in Botany to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

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

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION: REGENT COMMITTEE ON EDUCATIONAL RELATIONS ANNUAL REPORT. The Board Office recommended the Board (1) receive the report and (2) endorse the committee's goals for 1996-97.

The committee made significant progress toward achieving the goals it had established for 1995-96. Specific achievements of the committee in 1995-96 included:

- negotiation and approval of an articulation agreement between the state's community colleges and the Regent universities in the field of electronics and electronic-based technology;
- development of academic calendars with a common spring break period for all three Regent universities, effective Spring 1998 [approved by the Board at its May 1996 meeting];
- establishment of a task force to examine the admissions issues involved with applied high school academic curricula and home schooling;
- conduct of two joint sessions with the community colleges and Iowa Department of Education staff to define issues and chart strategies to improve the articulation and transfer process;
- initiation of planning for a 1997 joint conference cosponsored by RCER and the Articulation Subcommittee of the Iowa Coordinating Council for Post-High School Education (ICCPHSE).

The committee established new goals for 1996-97 that include the study of alternative high school curricula for meeting university entrance requirements, the implementation of staff visits between the universities and the state's community colleges, and the review of requirements for the Bachelor of Liberal Studies degree.

Regent Dorr asked for clarification regarding the new goal for 1996-97 to study alternative high school curricula for meeting university entrance requirements. Provost Kozak responded that the goal related to home schooling.

Regent Tyrrell stated that when the Board of Regents met with the Board of Education in December 1995 there was discussion not only about home schooling but of some

means of evaluating work experience. Provost Kozak stated that the committee plans to address that issue, also.

Regent Pellett referred to articulation agreements with community colleges and asked whether those are done as a whole or individually.

Mr. Patton responded that articulation agreements are entered into in both manners. The articulation agreement concerning the electronics and electronic-based technology degree is with all of the community colleges that offer that program (14 colleges).

ACTION: President Newlin stated the Board (1) received the report and (2) endorsed the committee's goals for 1996-97, by general consent.

REPORT OF THE IOWA COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION MEETING. The Board Office recommended the Board receive the report on the Iowa Coordinating Council for Post-High School Education meeting on October 2, 1996.

The Iowa Coordinating Council for Post-High School Education (ICCPHSE) met on October 2 at the campus of Iowa Central Community College in Fort Dodge. Below is a brief summary of that meeting.

The council heard a report on the strategic planning efforts of the council. A plan addressing the issue of competition between institutions has been drafted by the Coordinating Council's planning committee as a part of the Governor's strategic planning effort. This draft was discussed at the recent meeting of the Iowa Association of College Presidents and based on the viewpoints presented at the council meeting, it got a mixed review. Some felt very positive about the plan and the reaction to it. Others felt that the draft plan was not well conceived and needed additional work. Additional work on the draft will be completed this fall.

The council heard a report on the revision of the council's program location policy. The policy had been developed this past year by an ICCPHSE committee to address concerns about new program requests especially those for off-campus programs. The council unanimously approved the new policy with the understanding that it will be an interim policy until such time as the Regents complete the strategic planning effort for distance learning and a new policy approach can be developed and presented to the council for approval.

The council approved the establishment of an ad hoc committee on "workforce development" and "school to work", two national efforts involving education at all levels.

The council heard a preliminary report on possible legislative items related to revisions to the "registration law" approved by the legislature last session. The revisions, which relate to errors and omissions in the legislation, will be presented to the council for consideration in December.

The council gave preliminary consideration to a brochure intended as a part of a possible campaign sponsored by the ICCPHSE to educate the public about choosing a postsecondary educational institution. Hopefully a better educated public would be better informed on how to avoid "diploma mills." A revised version of the brochure will be presented to the council in December.

The council disapproved a Nursing program proposed by St. Luke's College of Nursing and Health Sciences.

The Council approved numerous programs, information on which is available in the Board Office.

The ICCPHSE received information on four health science programs under development by Mercy School of Health Science.

Regent Tyrrell stated that the Regent representatives on the Coordinating Council have explained to the council that following the Regents' distance education study there will be recommendations regarding a new paradigm in distance education which will provide an opportunity to better serve the students of Iowa.

Regent Dorr asked for clarification of the plan addressing the issue of competition between institutions that was drafted by the Coordinating Council's planning committee as a part of the Governor's strategic planning effort.

Regent Tyrrell responded that three strategic planning processes are occurring simultaneously. The Governor is conducting an overall strategic planning effort with the State department heads for all sectors of the state. The Interinstitutional Committee on Educational Coordination has a strategic planning group. The Iowa Coordinating Council for Post-High School Education strategic planning committee has drafted a proposal which appears to be more stringent than is appropriate in view of the challenge of distance learning.

Regent Dorr asked about the issue of competition and how that was to be resolved. Regent Tyrrell responded that the three sectors of higher education can be viewed as being in competition for students. There is some competition for students because there is a certain number of opportunities.

Regent Kennedy stated that there is also healthy competition and it is necessary to be aware of that balance. Healthy competition encourages all sectors to try to do the best they can.

ACTION: President Newlin stated the Board received the report on the Iowa Coordinating Council for Post-High School Education meeting on October 2, 1996, by general consent.

FALL ENROLLMENT REPORT - PART I. The Board Office recommended the Board receive the report.

Fall 1996 headcount enrollments at the three Regent universities increased 1 percent over the Fall 1995 headcount enrollments.

Fall 1996 Headcount Enrollments

	Fall 1996 Enrollment	Change over Fall 1995	Percent Change
SUI	27,921	+324	+1.2%
ISU	24,899	+226	+0.9%
UNI	12,957	+71	+0.6%
Regent Total	65,777	+621	+1.0%

Full-time equivalent (FTE) enrollments increased at each institution at the same time that headcount enrollments increased. FTE enrollment is usually less than headcount enrollment because part-time enrollments are converted to an equivalent number of full-time enrollments.

The indices of FTE enrollments to headcount enrollments have remained fairly constant. An index of 1.00 implies that all students are carrying full loads for their level of education.

A Comparison of Full-Time Equivalent Enrollments
Fall 1995 and 1996

	1995 FTE	FTE to Hdct Index	1996 FTE	FTE to Hdct Index	Change in FTE	Percent Change
SUI	22,942	0.83	23,227	0.83	+285	+1.2%
ISU	22,476	0.91	22,744	0.91	+268	+1.2%
UNI	11,103	0.86	11,209	0.87	+106	+1.0%
Regent Total	56,521	0.87	57,180	0.87	+659	+1.2%

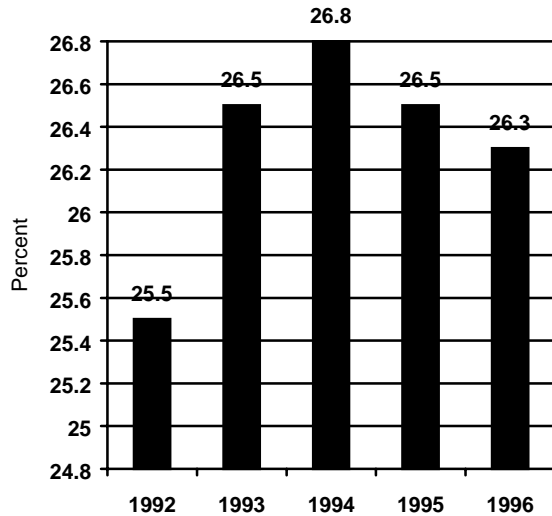
The majority of enrollment growth occurred at the undergraduate level (529 students). Professional enrollments increased 84 students. Graduate enrollments increased 8 students across Regent universities. The University of Iowa and the University of Northern Iowa both reported net loss of graduate students while Iowa State University reported an increase.

Changes in Enrollment by Level of Instruction
Fall 1995 to Fall 1996

	Undergraduate	Graduate	Professional	Total
SUI	+253	-12	+83	+324
ISU	+159	+66	+1	+226
UNI	+117	-46		+71
Regent Total	+529	+8	+84	+621

Enrollment by resident and non-resident students in Regent universities rose in the Fall 1996 census. Non-resident enrollment increased 70 students while resident enrollment rose 551 students. Consequently, non-resident enrollment has decreased as a percentage of the total enrollment.

Percentage of Non-resident Students in Fall 1992 to Fall 1996 Census



Non-residents comprise 28.2 percent and 6.5 percent of the enrollments at Iowa State University and the University of Northern Iowa, respectively.

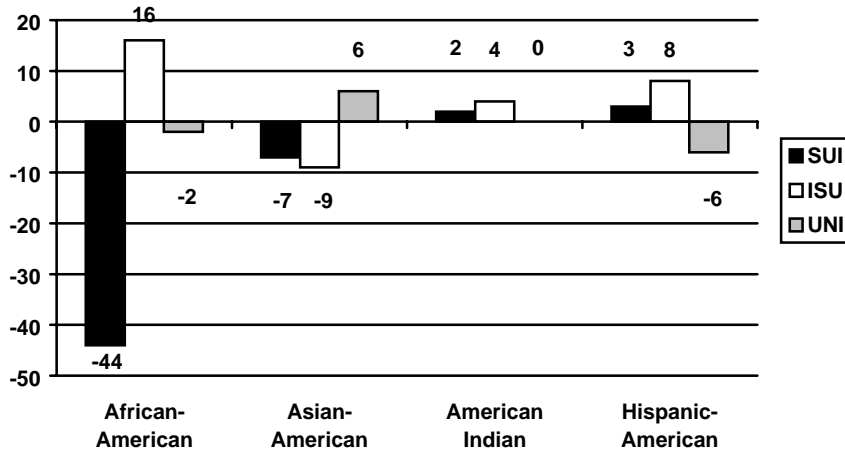
Iowa State University reported 56 non-resident enrollments and 170 resident enrollments more than reported in Fall 1995. The University of Northern Iowa reported 40 non-resident enrollments and 31 resident enrollments more than reported in Fall 1995.

Enrollments by non-resident students at the University of Iowa now comprise 33.8 percent of the student population as compared to 34.3 percent a year ago. The University of Iowa reported a decrease in non-resident enrollments (26) and a large increase in resident enrollments (350).

There were 9,196 freshmen matriculating at Regent universities in Fall 1996. Over 75 percent of these new freshmen were Iowa residents. The population of new freshmen increased 1.8 percent over Fall 1995 enrollments. The Fall 1996 new freshmen enrollment is the highest since Fall 1988.

New freshmen enrollments by racial and ethnic minority students decreased 29 students across Regent institutions. The only Regent university to enroll more new minority freshmen than last year was Iowa State University (+19 students).

Change from Fall 1995 to Fall 1996 in Minority New Freshman Enrollments
by University and Racial/Ethnic Category



There are 4,900 ethnic and racial minority students enrolled at Regent universities in Fall 1996. Despite decreases in freshman enrollments by minority students, this is the highest number of ethnic and racial minority student enrollments on record.

Although the University of Iowa experienced a decrease in enrollments by African-American students, enrollments by students from other racial and ethnic minorities continue to grow.

Iowa State University increased its minority enrollments 4 percent over Fall 1995. The Fall 1996 increase in all categories includes new high enrollments in Asian-American and Hispanic-American categories.

The University of Northern Iowa experienced a small decline in enrollments by racial and ethnic minority students in all categories except Asian-Americans.

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Racial and Ethnic Minority Student Enrollment: Fall 1995 and Fall 1996

Iowa School for the Deaf reported an enrollment of 131 students. Iowa Braille and Sight-Saving School reported an enrollment of 55 students.

Further details on university and special school enrollments are available in the Board of Regents Office.

Assistant Director Tiegs presented highlights of the enrollment report.

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

ACCREDITATION REPORT: ISU ENGINEERING PROGRAMS. The Board Office recommended the Board receive the report.

The Engineering Accreditation Commission of the Accreditation Board for Engineering and Technology (ABET) awarded reaccreditation to the following twelve undergraduate engineering programs at Iowa State University:

- Aerospace Engineering
- Agricultural Engineering
- Ceramic Engineering
- Chemical Engineering
- Civil Engineering
- Computer Engineering
- Construction Engineering
- Electrical Engineering
- Engineering Science
- Industrial Engineering
- Mechanical Engineering
- Metallurgical Engineering

All programs were reaccredited without conditions or restrictions until their next regularly scheduled ABET general review. This is a significant improvement from the previous ABET reaccreditation action of 1989, in which five programs were required to submit follow-up reports and one was required to show cause why its accreditation should not be terminated.

Concurrent with the ABET reaccreditation, each department in the College of Engineering conducted a separate, comprehensive external program review that included graduate, research, and outreach programs, in addition to undergraduate programs. The two review processes were complementary and provided a thorough basis for revisions in collegiate and departmental strategic plans.

The resulting plans have led to Iowa State University's major institutional initiative, "Re-engineering Engineering Education," which the Board approved for FY98 and FY99 funding at last month's meeting. Coupled with the \$33 million Phase I construction of the new Engineering Teaching and Research Complex, Iowa State University is moving aggressively to enhance its position as a national and international leader in this field.

Regent Dorr referred to the suggestions for improvement and reminded university officials to be mindful of the need to place emphasis on undergraduate education.

President Jischke stated that all of the engineering programs were fully accredited for the maximum length of time. He said it was a remarkably positive accreditation report.

Regent Arenson congratulated university officials on the report. He referred to information contained in the U.S. News and World Report which indicated that Iowa State University is rated as one of the top undergraduate engineering programs in the country.

President Jischke stated that the university's engineering programs have gotten better each of the last four years.

Regent Tyrrell said it was encouraging to see that all the engineering programs were reviewed at the same time. University officials should also be commended for the process and that they should be encouraged to do more of it in the future.

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

REPORT ON FEDERAL FUNDING. The Board Office recommended the Board receive the report on fiscal year 1997 federal appropriations of interest to Regent institutions.

The President signed the Omnibus Spending Bill (H.R. 3610) into law on September 30, 1996, thereby completing appropriations for federal fiscal year 1997.

The Omnibus bill rolled the last six appropriation bills together and included: Commerce/Justice/State, Defense, Foreign Operations, Interior, Labor/Health and Human Services/Education, and Treasury/Postal.

Federal funds are essential to the Regent institutions as evidenced by the \$233.9 million in federal funding secured in fiscal year 1996, exclusive of receipts for patient care under the Medicare and Medicaid programs.

The primary sources of federal funds for the Regent institutions comes from appropriations made to the Department of Health and Human Services, Department of Energy, Department of Education, and the Department of Agriculture, which represent 41.0 percent, 14.0 percent, 11.8 percent and 11.9 percent respectively of the total amount of federal funding received.

Federal funds from the National Institutes of Health and NASA represent 65.7 percent and 8.8 percent respectively of the total federal funding received by the University of Iowa, with the National Science Foundation providing significant funding for both the University of Iowa at \$6.6 million and Iowa State University at \$8.3 million.

The federal fiscal year 1997 appropriations are higher than earlier predictions with major increases in several student aid programs and in special education.

Mr. Richey expressed pleasure at bringing to the Board such an optimistic report regarding federal funding. He said it was a very good report in the continuing federal recognition of the importance of education in this country.

Vice President Skorton stated that funding for the National Endowments for the Humanities and Arts had decreased. The humanities and arts programs at each of the institutions need to be vigilant. The National Science Foundation funding provided inflationary adjustments, for which university officials were pleased.

ACTION: President Newlin stated the Board received the report on fiscal year 1997 federal appropriations of interest to Regent institutions, by general consent.

PROGRESS REPORTS ON PAPPAS RECOMMENDATIONS. The Board Office recommended the Board (1) receive the progress reports on the Organizational Audit, Pappas Recommendations; (2) request that the Board Office re-docket the progress report in December for further consideration; and (3) instruct the institutions to include a comprehensive and detailed assessment of each Pappas recommendation in their final reports next May.

Last spring the Board requested that the institutions and the Interinstitutional Committee on Education Coordination (ICEC) follow-up on the recommendations contained in the Pappas report. The following is a progress report on each of the recommendations being addressed by the institutions and the ICEC.

The Pappas recommendations not addressed by the Institutional Committee or the individual institutions are being addressed by MGT of America, Inc.

The ICEC is making progress on the four items that it was assigned.

A report on interinstitutional cooperation has been developed and approaches to increased cooperation are under consideration.

A report on distance learning is reported elsewhere on this month's docket.

Studies on faculty workload are underway at the University of Iowa and Iowa State University while the University of Northern Iowa has an approved plan on faculty portfolios.

The committee is considering ways to streamline program reviews.

The University of Iowa, Iowa State University, University of Northern Iowa and the two special schools reports all appear to show progress with respect to follow-up on all appropriate Pappas recommendations.

It appears as if there are activities underway at the institutions with respect to most of the Pappas recommendations; however, some of the efforts appear to be less comprehensive than envisioned by Pappas.

The Board Office intends to re-docket their report in December in order to allow time for Board members to digest the voluminous report and for the Board Office to further assess the report.

It was recommended that the Board instruct the universities carefully to consider the detailed Pappas recommendations before submitting final reports in May 1997.

President Newlin stated that the Organizational Audit Oversight Committee had met the previous day. A progress report by MGT was presented to the committee members by Ken Boutwell. MGT is on schedule with its work program. President Newlin reviewed some of the items on which the firm is working.

Regent Pellett asked when the final report from MGT would be presented to the Regents. Mr. Richey responded that the Regents could expect to receive MGT's final report in early-February after the firm has had an opportunity to incorporate the results of the Regent retreat to be held in January.

President Coleman stated that she was very pleased overall with the way the Pappas recommendations had been addressed on the University of Iowa campus.

Regent Tyrrell questioned how University of Iowa officials were approaching the suggestion to develop more of a core system within the College of Liberal Arts. President Coleman responded that a complete review of the general education requirements was taking place. A task force has been established within the College of Liberal Arts. A search is underway for a new dean for the College of Liberal Arts.

Regent Dorr said it was his sense that there was beginning to be a shift nationally to a more structured core general education with greater emphasis on a truly comprehensive core curriculum. He questioned whether that was in fact a trend and why it was shifting the other way.

Provost Whitmore responded that there is a shift toward trying to have a more integrated approach to core courses. Certain projects are underway now that allow students to take a set of courses together as a group and move through the system together. University officials are trying to bring a more meaningful experience to the core curriculum.

Regent Dorr said it was his sense that the overall core curriculum has been substantially diminished and that there was some desire now to attempt to fix the problem. Is that what they are trying to do? Provost Whitmore responded that in general there are certain sets of competencies that students need to have. For example, students need to have a basic understanding of science and math.

Regent Dorr questioned whether university officials were getting at the issues of competencies. Are students being trained for specific skills or are they receiving a more intense educational experience that results in students receiving all of the necessary skills including thinking and writing? He believes there is a general trend among college graduates to be less competent than graduates had been in the past. He said he was trying to determine whether this was an attempt to remedy a problem or whether it was a general transformation.

Provost Whitmore stated that university officials were attempting to provide students with stronger competencies. Curriculums are constantly evolving. Communication is happening differently. Visual mixed media give students a variety of experiences.

Regent Kennedy stated that in reviewing the proposed general education program it still appeared to be a traditional program. Was there an effort to enhance the traditional role? She cautioned that they make sure not to lose some of the comprehensive education.

Provost Whitmore responded that there are two kinds of education for undergraduates. First is general education which is the core competencies. As students progress they take more specific kinds of courses although the basics will be repeated in the core courses, i.e. writing experiences.

President Coleman stated that by the time students get to the major they have achieved the basic competencies and are better able to focus on the major. She said faculty report to her that the changes they see in students coming from high school is that they require less remedial education although students still have trouble writing succinctly. In general, Iowa high school students are well prepared for a university education.

Regent Dorr questioned whether rhetoric is a remedial program. Provost Whitmore responded that rhetoric is required for all students to improve their communication skills beyond what they came with to the university.

Regent Dorr questioned whether a western civilization course was required. President Coleman responded that students can choose a western civilization course but that it is not required. The recommended core curriculum requirements were developed by a faculty committee. The committee wanted to give students a broad perspective and to allow students to choose which courses they wish to take.

Regent Lande said it appeared that what was previously in place was more structured. Will the changes proposed increase or decrease the breadth of courses?
Provost Whitmore responded that there would be more courses added to the distributive education program.

Mr. Richey stated that approximately 25 years ago there was an extraordinary challenge to universities regarding the relevance of curriculum. The general education core was emasculated. There has been a great attempt to restore the general education core in the last 20 years at all three Regent university campuses.

Regent Lande referred to Regent Dorr's question about western civilization course requirements, and said it has been said that one cannot understand others unless you understand yourself. He suggested it might be hard to understand other cultures if you do not understand your own.

Provost Whitmore said the University of Iowa does offer western civilization courses on a large scale. They would come under the humanities/early historical perspectives courses which are required.

President Jischke stated that university officials are pursuing every one of the Pappas recommendations as they apply to Iowa State University. Overall this process is helpful. It forces university officials to re-look at some issues and it reinforces the strategic planning of the university. He hoped that the Board would not see the Pappas report as particularly comprehensive. There are issues in the university's strategic plan that are absolutely essential to the mission of the institution and about which the Pappas report had nothing to say. Those issues include graduate education and research, financing of the institution, and the role of the university in the development of Iowa economically and otherwise. He said strategic planning represents the game plan for the institution and is a more comprehensive statement of goals, objectives and strategies.

With regard to research and graduate education, President Jischke said it is the distinctive role of the Regent institutions to provide those services for the state of Iowa. He said it would be difficult to think of an area of research that has more long-term impact on Iowa than the work Iowa State University does in agriculture. With regard to the financing of the institution, he said it is very much a strategy to seek maximum external financing. Private fund raising has seen considerable success in the past five years that he has been at Iowa State University. The institution also must be efficient and effective in its use of resources. As he has traveled throughout Iowa, he has found that Iowa citizens see the Regent system and Iowa State University as essential ingredients to the progress of this state. Access to education, access to knowledge and the capacity to solve problems is decisive to the progress of this state. He said there is much evidence that is happening among the Regent institutions and these are very important aspects of what is being done at Iowa State University.

With regard to economic development, Regent Dorr said it would be interesting to know how central Iowa State University was to the major growth in the central Iowa golden circle area. President Jischke stated that one of the elements of Iowa State University's strategic plan is to develop benchmarks against which progress can be measured.

Regent Dorr stated that one of the issues in the Pappas report addressed faculty workload. He said there has been discussion about developing a methodology since the 1989 Peat Marwick study. The Regents should be getting some firm faculty workload reports since university officials have been studying the issue for three years. He said there is a great deal of verbiage in the report but when will the Regents have some hard data showing the benchmarks?

Regent Arenson said he hoped that when considering the faculty workload questions there will be consideration given to all three aspects of faculty workload -- teaching, research and service. The data would be more valuable from this multi-dimensional aspect. All of those factors have to be considered in addressing raising the overall quality of education. They cannot focus on one aspect of what faculty do. He noticed in the Pappas report that all three universities are reviewing the issue, and he assumed that reports would be forthcoming.

President Koob addressed the specific recommendations for the University of Northern Iowa. For each one of the recommendations, university officials find themselves already having processes in place that respond to the recommendations; the results, in some of the examples, are yet to come. The process to reach those goals is almost done. With regard to the first recommendation for strategies for continuing education for Iowa teachers, he said university officials would provide the Regents with a presentation that afternoon. External relations and marketing were being addressed by university officials. He said diversity was a major thrust for the University of Northern Iowa, not only regarding

the student body but also faculty and staff. There was a remarkable list of activities taking place on campus to increase diversity. He said the problem was not a lack of commitment to diversity but the base from which the university draws. The University of Northern Iowa is largely an Iowa institution. It will take 5 to 10 years to reach the Board's stated goal.

With respect to technology, President Koob said there has been a remarkable turnaround at the University of Northern Iowa. Internal processes are being redesigned. With regard to encouraging students to graduate in 4 years, President Koob said the university cannot place any barriers in the way of students who wish to graduate in 4 years. University officials must extend the philosophy of the graduation pack by creating a support system for students. He said this was particularly critical with the projected growth in the number of non-traditional students.

Regent Dorr asked what percentage of enrollments at the University of Northern Iowa are non-traditional students. President Koob responded that it was less than 10 percent.

Regent Dorr asked if those numbers had changed substantially over the last 5 years. President Koob responded that it had not. Comparing Iowa nationally, our campuses are very young -- average student age of 22 versus 28 for the rest of the country.

Regent Dorr stated that to attain an enrollment goal of 8.5 percent minority students, they have to assume a large body of non-traditional students. Does it make a lot of sense to expand resources for a goal that is difficult to attain?

President Koob responded that those are the kinds of public policy questions the Board has to answer. University officials agree with the goal to have a more diversified student body in service to Iowa students. Students raised in Iowa in a homogenous environment will not necessarily see a homogenous environment as they enter the work place. At the same time, university officials have strongly argued that the university has to reach out more to non-traditional students. How to balance those two issues is the kind of question they lay before the Board.

Regent Dorr questioned whether the qualities of an educated person are such that the universities cannot turn out sensitive and aware students without the university having a goal of 8.5 percent minority student base.

Regent Smith said she would support that statement. The Regents have to support a diverse environment for the students. Many of the non-traditional students are students of color.

President Koob stated that quality is relative. He believes the University of Northern Iowa has a long way to go to reach the epitome of quality. University officials need to decide how much they can do with the resources available to continue to improve quality. He stated that the University of Northern Iowa is one of the best comprehensive public universities in the country at the present time. At the same time, it has a long way to go to be as good as university officials think it could be. Just because it is better than most does not mean that university officials should not continue to try to make the university that much better. He said he would agree that the environment in which education occurs enhances the quality of that education almost to the same degree as the classes which are offered in that environment.

Regent Arenson asked if it was fair to say that part of the core mission of the university is to enhance diversity and that goal cannot be reached without a diverse university community. President Koob agreed.

Regent Kennedy stated that when in an homogenous environment a person can do well with what he/she knows. Students' experiences need to be broadened so they know more and can do well with that knowledge. University officials need to make sure that students have the ability to be flexible in other environments.

Regent Dorr stated that any time restrictions are placed on how the universities can use their budgets, it limits their ability to maintain quality. He said that to suggest from a policy point of view that the institutions have to attain 8.5 percent of the student body as minorities was not doing anyone any good.

Regent Smith suggested the affirmative action goals should be viewed as goals and not as restrictions. She questioned whether a philosophical discussion may be needed.

Regent Tyrrell reminded the Regents that the universities are preparing students for the 21st century which will be vastly different from what has been their experience. The universities are preparing students to live with persons of other cultures and viewpoints. Successful international trade is made possible by our ability to understand other cultures. He said the Regents can change the goal at any time; however, he feels they would be remiss if they did not encourage diversity. The universities would be short-changing the students.

Superintendent Thurman stated that at the Iowa Braille and Sight Saving School the Pappas report will become the center of the new strategic plan. He noted that a team of consultants was coming to campus in a month. The new strategic plan will probably center on the academic core issue. School officials will also spend a lot of time looking at work experience programs. He expressed pleasure at the Board Office recommendation that the special schools be included in the December discussion on

distance learning. There is much that can be done for blind students throughout the state including teacher training. There is no teacher training program in Iowa for teaching blind or deaf students.

Superintendent Johnson stated that while the Pappas report had no specific focus on the Iowa School for the Deaf, many issues will affect the school and its programs, including distance education. As Superintendent Thurman indicated, without a teacher training program in Iowa in deafness, it is more difficult to recruit faculty. There is currently a review of curriculum taking place. He also looked forward to December's discussion regarding technology and distance education.

ACTION: President Newlin stated the Board, by general consent, (1) received the progress reports on the organizational audit, Pappas recommendations; (2) requested that the Board Office re-docket the progress report in December for further consideration; and (3) instructed the institutions to include a comprehensive and detailed assessment of each Pappas recommendation in their final reports next May.

STRATEGIC PLANNING FOR DISTANCE EDUCATION. The Board Office recommended the Board (1) receive the presentation of the draft strategic plan for off-campus programming developed by the State Extension and Continuing Education Council; (2) refer the draft plan to the Board Office and the Interinstitutional Committee on Educational Coordination for further review; and (3) receive the presentation by the representatives of the Iowa Association of Independent Colleges and Universities.

This was the second in a series of discussions the Board is holding to consider issues related to distance education. The Board has committed itself to develop a strategic, future-oriented approach to distance education and to adopt any appropriate policies to support that effort.

In this session the Board heard presentations from both the Regent universities and the state's independent colleges and universities.

Representatives of the State Extension and Continuing Education Council presented a draft strategic plan for off-campus credit programming. The council is a Regent committee composed of the principal administrators of extension and continuing education at the three universities.

The presidents of Graceland College and Buena Vista University and the Assistant to the Provost of Drake University, representing the Iowa Association of Independent Colleges and Universities, were invited to share their perspectives, current activities, and plans in the area of distance education.

Next month's meeting will include a presentation by representatives of the Iowa Department of Education and its Division of Community Colleges.

The December meeting will include presentations by the superintendents of the two Regent special schools. Discussions are underway with the Iowa Department of Education to consider presentations relating to K-12 schools and area education agencies.

At its September meeting the Board heard presentations by two nationally-recognized experts in this field. Among the points that the presenters suggested were:

- that distance education will primarily add new categories of consumers rather than replace on-campus education;
- that universities may become less the repositories of knowledge and instruction and serve more as gateways to education from many different sources; and
- that control of the technologies to deliver distance education is ultimately secondary to the issues of academic quality and student/consumer-centered programming that will drive choices in the educational marketplace.

The draft strategic plan developed by the State Extension and Continuing Education Council addresses primarily the delivery of academic programs to Iowa residents by Iowa institutions. The plan advocates:

- a largely unrestricted educational marketplace within the state,
- the development of additional Regent resource centers and dedicated distance education classrooms in strategic locations to address scheduling difficulties, and
- adequate new funding to support those facilities.

The Extension Council proposed a significant coordinating role for itself in directing and administering off-campus credit programming, the volume of which is described in the draft plan as the equivalent of a fourth Regent university.

The Extension Council draft plan reiterates the original three goals of quality, access, and efficiency contained in its 1990 strategic plan, but it proposed nine objectives and twenty strategies that modify or supplant previous approaches. These include:

- a major expansion of the Bachelor of Liberal Studies (BLS) individualized degree program (from its current 150 to a projected 2,000 annual admissions), driven by a “two-plus-two” bachelor’s completion program linked to the state’s community colleges;
- a full-time statewide coordinator of the expanded BLS program, paid through increased program revenues projected from enrollment growth;
- an integrated, multi-year schedule of programming offered by the three Regent universities;
- a major collective marketing campaign to promote the BLS opportunity and other off-campus credit offerings throughout the state;
- the provision of full student academic support services, comparable to those that can be obtained by an on-campus student;
- the appointment of program advisers on community college campuses, ideally drawn from those local faculties, to assist prospective students;
- the creation of new Regent resource centers under the management authority of the Extension Council and funded through state appropriations;
- construction of new ICN distance education classrooms at selected community college sites, funded through state appropriations;
- cooperation with community and independent colleges in selected areas of activity, such as support services and facilities;
- contracts with independent colleges to deliver Regent universities’ curricula at “wholesale” rates that allow the receiving school to retain its own tuition mark-up;
- revision of University degree program on-campus residency requirements to accommodate off-campus students;
- the merger of on-campus instruction with off-campus instruction whenever possible to increase efficiencies and maximize the use of faculty resources.

The universities' off-campus and continuing education offerings operate on a modified cost-recovery basis and are expected to be self-financing. As they review the Extension Council's draft plan, the Interinstitutional Committee on Educational Coordination and the Board Office should address issues of cost and financing of off-campus programs, as well as procedures to maintain program quality and integrity.

Presentation by the State Extension and Continuing Education Council

The State Extension and Continuing Education Council is an advisory panel appointed by the Board under Section 1.07(E) of the Procedural Guide. It consists of six members, two from each of the three Regent universities. The council reports to the Board through the Interinstitutional Committee on Educational Coordination.

At its February 1996 meeting the Board received the Extension Council's 1994-95 annual report and approved a Board Office recommendation that the council develop a revised strategic plan. There were evident concerns, acknowledged by the council, that its 1990 plan needed some key modifications to adapt to the rapidly changing environment of distance education and telecommunications technologies.

The council has produced an ambitious and challenging draft plan. The plan was submitted directly to the Board at this time, with the expectation that the Interinstitutional Committee on Educational Coordination and the Board Office will conduct a formal review and issue its response and recommendations at an upcoming Board meeting.

The following members of the council were in attendance to present the draft plan:

- Dr. Marcia Bankirer, Director of Continuing Education, Iowa State University
- Dr. Glenn Hanson, Dean, Continuing Education and Special Programs, University of Northern Iowa
- Dr. Emmett Vaughan, Dean, Division of Continuing Education, University of Iowa

Presentations by Representatives of the Iowa Association of Independent Colleges and Universities

The Iowa Association of Independent Colleges and Universities (IAICU) is a membership organization that includes twenty-seven two-year and four-year liberal arts colleges, universities, and specialized professional schools authorized to operate in the state of Iowa. The association's president is Dr. John Hartung.

IAICU institutions are at different stages of development in their approaches to distance education and information technology. Some have invested actively in technology and have applied it to both on-campus and off-campus instruction. Others have retained a more traditional approach.

Three representatives of IAICU institutions made presentations to the Board:

- Dr. Bill Higdon, President, Graceland College
- Dr. Fred Moore, President, Buena Vista University
- Dr. Bob Lutz, Assistant to the Provost, Drake University

The draft strategic plan of the State Extension and Continuing Education Council has significant implications both for the Regent institutions and for the state's independent colleges and universities. The presenters shared their reactions to the draft plan in their remarks to the Board.

Dr. Vaughan reviewed with the Regents the draft strategic plan of the State Extension and Continuing Education Council. The report included a statement that there are 231,500 potential part-time students which is 1.8 percent of the Iowa adult population. He compared the goals of the council's 1990 plan with the goals of the 1996 plan, and discussed the funding requirements of the plan. He said the plan has a single aspiration -- to fulfill the promise to the citizens of Iowa as set forth in the Board of Regents Procedural Guide.

Mr. Richey stated that one of the underlying premises of the need for expansion of off-campus programs is the low percentage of graduates from colleges in Iowa. He said the college-going rate in Iowa is significantly higher than the national average and Iowa's graduation rates are somewhat analogous to the national average although a little higher than the national average. Given that, is it not plausible to assume a large part of the problem is due to out-migration upon graduation or soon thereafter?

Dr. Vaughan responded that there are other Midwestern states that are also experiencing the "brain drain" that is being experienced in Iowa. He referred to a recent Des Moines Register article which indicated that a high percentage of students attending college in Iowa are migratory. An increasing number of Iowa students attend community colleges. There are 230,000 to 400,000 Iowans with some college education or an associate's degree who are not currently enrolled in school. Less than one-half of the associate degree students pursue further education. He said the average age of community college students is much older than that of a university

student. To the extent that it is the brain drain that causes the problem referred to by Mr. Richey, that indicates a need for increased support for a wider educational effort. Students who would be captured as part-time non-traditional students are fixed; they have families and jobs -- and they are the ones who stay in Iowa.

Dr. Bankirer discussed the role the Regent institutions can play in economic development for this state. For example, when a corporation looks for a place to locate many locate near institutions of higher education in order to continue the education of their work force.

Regent Arenson stated that the council's report was enlightening. He referred to an assumption in the report that financial constraints are one of the primary determinants in a student's attainment level. With regard to place-bound students, was the report implying that Regent university tuition is a deterrent?

Dr. Vaughan stated that Regent universities have acquiesced to not offering undergraduate programs off campus. Iowa's median family income is \$37,000. For many individuals, taking one course at a time is more doable. However, the Regent universities haven't taken the lower cost programs off campus.

Regent Arenson questioned whether the council had considered pricing. Dr. Vaughan responded that the tuition rates are set by the Board of Regents. Any change in tuition rates would be subject to Board approval.

Dr. Hanson referred to tuition charges for students attending the Quad-Cities Graduate Study Center. He said students pay the offering university's resident tuition rate. Illinois' resident tuition rate is one-half of Iowa's rate.

Regent Arenson asked about other universities coming into Iowa and offering courses. Dr. Vaughan responded that those are relatively high-cost programs including Internet courses. All of the Regent universities offer some courses on the Internet; however, they would have to charge 4 to 5 times the tuition rate to offer more courses on the Internet.

Regent Kennedy referred to the financial constraints issues and asked if there is specific information available regarding Pell grant and Iowa tuition grant funds provided to students attending the private colleges. Dr. Vaughan responded that a very small percentage of part-time students participate in any type of public funding.

Regent Kennedy said she would like to receive the information. For a family with an average income of \$30,000, when does the Iowa tuition grant and Pell money kick in? At what income level could a family count on that kind of financial support?

Regent Tyrrell said they must remember that this will have to be a cooperative program. It will not be all state money; there will be community and business support, also. It was his view that the Regent institutions should go to communities which extend an interest and willingness to participate. They could use that as a guide that will be part of a total package that will need to be developed to make a program effective.

Regent Lande referred to a comment by Dr. Vaughan that the off-campus programs as administered now seem to cover marginal costs. If the Regents were to decide to offer undergraduate programs, would it require a substantial reallocation of resources?

Dr. Vaughan responded that additional resources would be limited to three areas: 1) educational support services (video will be replaced with digital within the next 10 years); 2) Regent distance education classrooms, and 3) two additional Regent resource centers, one in Davenport and one in Des Moines. He stated that he had not yet discussed the following with Mr. Richey, but as the building the Board of Regents Office is housed in is remodeled, maybe space could be provided to accommodate a Regent resource center.

Regent Pellett applauded the efforts of the State Extension and Continuing Education Council. She said that if council representatives approach communities as Regent Tyrrell suggested, please come to hers (Atlantic). The Regents have discussed distance education since she came on the Board and she was now seeing some action. She noted that the Regents had never before had discussion of fees for off-campus courses. That may be an issue the Board needs to take up in the future.

Regent Tyrrell stated that the Regent representatives to the Iowa Coordinating Council for Post-High School Education told its members that the Regents had heard the views of experts in Maine and Michigan, and were now studying the realities in Iowa. The concept has been presented and they have received the challenge.

Regent Dorr asked about the time frame within which the Regents would be making a decision. Mr. Richey responded that it will take a period of months to hear reports from various sectors. Representatives of the Department of Education and community colleges are scheduled to make presentations to the Board at its next meeting. Mr. Richey has had preliminary conversations with Ted Stilwill, Director of the Department of Education, relating to presentations by K-12 and area education agencies representatives. The Board could be taking action on a plan in February or March.

Regent Arenson asked if any financial projections had been done. Dr. Vaughan responded that the council had done some. He said the problem is that any projection

is based on some assumption of what the Board of Regents wants the council to do. There are projections for graduate programs and for undergraduate programs.

Regent Arenson expressed an interest in being provided with an estimate of the cost and income. Mr. Richey stated that the Board Office intends to review that carefully and to report to the Regents after the first of the year as the focus becomes more specific.

President Newlin recognized Bill Higdon, President of Graceland College.

Dr. Higdon stated that this opportunity to meet with the Board of Regents was a continuation of a long history of cooperation in Iowa higher education. He said that cooperation was behind the tuition grant policy in Iowa. Distance education is a vital topic. It addresses service to place-bound and time-bound students as well as vocational and economic development. He applauded the efforts of the State Extension and Continuing Education Council in the development of the report before the Board for consideration, which he believed should be viewed as a beginning.

Dr. Higdon addressed several points in the report about which he was concerned. Higher education officials see the delivery of education as changing dramatically. Knowledge may become a public utility. He was a little surprised at some of the enrollment trends identified in the council's report. Part-time enrollments have decreased on college campuses and have increased at community colleges. A constant concern is quality of education. He expressed concern about the proposal to build additional infrastructure. Graceland College has an Iowa Communications Network classroom on its campus in Lamoni although college officials do not know how long that technology is going to be the best way to deliver distance education. He believes the council's report needs to be accompanied by attention to financing and totality. There needs to be collaboration and cooperation as this process goes forward.

Dr. Higdon said he was pleased that the Regents have taken leadership in strategic planning for the state of Iowa which is an important aspect of delivering higher education in the state. He encouraged the collaboration to continue.

Dr. Moore stated that Buena Vista University has been a technological leader for a long time. He said he appreciated the contributions the Regent institutions are making to higher education and to the quality of life in Iowa. Its citizens are well served by collaboration of the sectors. He noted that he is a graduate of a state university. He suggested there should be questions on the minds of taxpayers as to how their taxes are spent including the Iowa Tuition Grant program. He was appreciative of the fact that the Board of Regents and its institutions have long been supporters of the Iowa Tuition Grant program, which is a public-private partnership.

With regard to the plan presented by the State Extension and Continuing Education Council, Dr. Moore said the plan fails to adequately acknowledge two facts that are essential to answering the question of whether there should be substantial expansion of Regent programs across the state. He stated that Iowa's private colleges and universities have served place-bound learners throughout the state with value-added programs and services. Before there was ever an Iowa Communications Network, the private colleges went to the rural communities and offered high-quality degree completion programs including the BLS degree which is the centerpiece of the council's strategic plan. He provided the Regents with a map indicating the location of private colleges and universities in the state. There is a presence in nearly one-half of the counties in this state. The privates do not see their institutions as the sole solution to the problem. They embrace technology including the Iowa Communications Network. He said there are 35 sites within the private sector capable of presenting courses over the Iowa Communications Network. Buena Vista University will double the number of courses it provides on the Iowa Communications Network. Iowa's technology is unsurpassed anywhere in the region. Library resources are available to place-bound students. He said part-time enrollment has skyrocketed in the last 10 years.

A second fact which Dr. Moore said the council's plan fails to adequately acknowledge relates to the suggestion that the private colleges' and universities' programs are so expensive that they are beyond the means of the average Iowa family. Two of Iowa's private colleges were named as being in the top five most efficient schools or liberal arts colleges in the midwest. When considering the impact of the Iowa Tuition Grant Program, the tuition difference lessens. He stated that the plan's assumption regarding cost is at best incomplete and at worst erroneous.

Dr. Moore thanked the Regents for the opportunity to address them and said he looked forward to further dialogue.

Dr. Lutz stated that in his position at Drake University, he is responsible for technology and information complements of the university. Drake University has been involved in distance education for the past several decades as well as the effective use of technology. Every faculty member is provided with a personal computer. Every residence hall has a computer network hook up. The university has just completed the first cycle of its two-year MBA program which involves faculty driving to remote locations. This type of delivery system requires a much larger student population. The advent of the Iowa Communications Network allows a lesser number of students to provide a course. He said courses must be redesigned from the ground up for providing distance education. University officials must limit class size overall to maintain contact. They strive for interaction capabilities.

With regard to the future, Dr. Lutz stated that for the past 12 months there has been a group of individuals involved in a project called the Internet II project, of which the University of Iowa is a major participant. President Clinton recently announced support and funding for the project. He said there is a wealth of distance education opportunities especially in the state of Iowa where we have the backbone in place to offer advanced learning capabilities. While there may be a set of leadership institutions that will drive these distance education efforts, all institutions can benefit from it.

Dr. Hartung thanked the Regents for the opportunity to share ideas and discuss the challenges that all higher education institutions face. He said Iowa is recognized world wide for the quality and efficiency of its higher education system. Iowa's graduates are highly sought by employers. A very high percentage of Iowa's high school graduates leave high school and go on to college, and a large number of those complete their degree programs. He referred to the map earlier distributed to Regents which identified the location of private colleges and universities in the state, and said the map demonstrated that a number of services are currently being provided throughout the state.

Dr. Hartung referred to the Iowa Tuition Grant program and said it is a struggle each year to increase that appropriation. He noted that technology changes occur daily. He said it is important to address the needs of prospective students and suggested that a more thorough needs analysis would benefit all of higher education.

Dr. Hartung stated that the private sector institutions accept the challenge of working together with the Regent institutions. He said they are working together more than they are working separate.

Regent Dorr referred to the new Internet II program and Iowa's fiber optics backbone, and asked to what extent will Iowa's institutions support the ability of all Iowans to hook into the Internet through local telephone companies.

Dr. Lutz responded that the private colleges, through its telecommunications committee, will this fall be issuing a request for information from vendors of Internet services. The goal is to provide access for all its students throughout the state to the Internet. He said that Drake has always supported ICN Internet activities. In conjunction with the three Regent universities, Drake University helped recover the cost of the first year connection of the Iowa Communications Network. He stressed the importance for the Board of Regents and private colleges to keep the Iowa Utilities Board informed of the importance of Internet access for the citizens of this state.

Dr. Moore stated that the private colleges embrace the Iowa Communications Network and believe it is an important tool in the delivery of educational opportunities. He views the Iowa Communications Network as a critical resource for Iowa.

Dr. Vaughan stated that there are 53 World Wide Web providers in the state. He then referred to a question in the docket memo regarding whether the State Extension and Continuing Education Council was ignoring the Internet. He said the computer was invented at Iowa State University. The first radio class originated at the University of Iowa. The University of Northern Iowa is teaching teachers statewide to use the Internet. He stressed that it is an expensive process to create Internet courses.

Regent Arenson asked for a response to the question posed by private sector representatives regarding whether the Regents had performed a needs analysis. Dr. Vaughan responded that when the Southwest Iowa Regents Resource Center was established the Board of Regents commissioned an outside survey of the demand for educational programs in the area. The study was commissioned at a cost of \$55,000. An outside organization indicated that nowhere in the United States was a graduate study center less needed and undergraduate completion opportunities more needed. Regent representatives receive regular requests from businesses all over the state wanting to know when educational opportunities will be brought to their areas of the state. He said the market research indicates that the big demand for undergraduate completion is not the BLS. What citizens want is undergraduate completion in business, computer science, communications studies, engineering; the same programs as are demanded on campus.

Regent Arenson asked whether any current surveys had been done. Dr. Vaughan responded that before a Regent institution offers a program in a particular area, a detailed survey is performed. When that happens they hear from people at the community colleges and private colleges that the offering of such programs by the Regents is something they are not authorized to do.

Regent Arenson asked the private colleges representatives, assuming these needs exist and given market forces irrespective of what the Regents do, won't market forces move in to fill these needs? Dr. Higdon said he believed that in fact market forces will fill the needs. He stated that Graceland Colleges prices its off-campus programs at substantially different prices than on-campus programs because many ancillary kinds of offerings are available on campus that are not provided off campus. In Graceland's entry into the field of off-campus educational offerings they have found that transforming demographic needs into enrollments is a marketing issue of no small proportion.

Dr. Vaughan stated that he has nothing but admiration for the independent colleges. On the issue of tuition grants, he said the SECEC assumes that the independent colleges are operating at their maximum efficiency. Even so, there is still an unsatisfied demand. The constituency the council's plan is addressing are the students not being served now and for which there are no college tuition grant funds available.

Regent Arenson asked whether the private college representatives had the same understanding as just explained by Dr. Vaughan if the Regents were to become heavily involved in distance learning. Are the private institutions at capacity now? If they are not at capacity, irrespective of what the Regent universities do, aren't other market forces coming in anyway to compete with them?

Dr. Higdon responded that there are market forces and for-profit operations that do impinge the national scene. Distance learning possibilities for Iowa are a challenge for all sectors of higher education. He said there are many programs that Iowa State

University, for example, could provide that Graceland College could not. It is for that reason that the private colleges want to collaborate with the Regent universities to ensure the individual market segment needs are being met.

Dr. Moore spoke directly to Regent Arenson's question as to whether the private colleges are at capacity by stating that no, they are not. They would be happy to have more students. He stated that there are two important structural constraints that are implicit in the question. The first is the Iowa Communications Network itself. There are some thorny scheduling issues. There is increasing demand for the network because it is an effective tool to serve students. Secondly, there may well be institutions that will want to fill an assessed market need. The question is how will it be filled. His institution's experience has been that to offer quality programming for non-traditional students, it is not simply a question of providing distance learning classrooms. There also needs to be advising and support services for students.

Regent Lande stated that the Regents had asked Dr. Vaughan to supply additional information. He asked for additional information from the private college representatives on the quantification of the issues they raised regarding the tuition grant program and costs. Dr. Moore responded that they would be pleased to provide the information to the Regents to assist them as they grapple with these questions.

President Newlin thanked each of the presenters for their participation and for the work that had gone into the presentations.

ACTION: President Newlin stated the Board, by general consent, (1) received the presentation of the draft strategic plan for off-campus programming developed by the State Extension and Continuing Education Council; (2) referred the draft plan to the Board Office and the Interinstitutional Committee on Educational Coordination for further review; and (3) received the presentation by the representatives of the Iowa Association of Independent Colleges and Universities.

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 1997 as described below:

- a. Increase all tuition categories at the University of Iowa, Iowa State University and the University of Northern Iowa by 3.9 percent;

- b. Continue the fourth year of a 4-year program to implement an entry level Doctor of Pharmacy program at the University of Iowa by increasing resident and non-resident Undergraduate Pharmacy and Pharm. D. tuition by the above 3.9 percent base increase plus a 7.5 percent surcharge;
- c. Continue to increase funding to advance the University of Iowa College of Law's strategic planning goals related to strengthening fundamental lawyer skills training by increasing resident Law tuition by the base increase of 3.9 percent plus a \$350 surcharge, and increasing nonresident Law tuition by the base increase of 3.9 percent plus a \$500 surcharge;
- d. In addition to the above base tuition increase of 3.9 percent, establish a tuition surcharge of \$1,000 per academic year for first and second year resident and non-resident University of Iowa Dentistry students to begin to fund a simulation clinic, clinical and teaching laboratory improvements, and equipment upgrading and replacement;
- e. Increase the student health fee from \$84 to \$86 per academic year and establish a \$10 per academic year health facility fee at the University of Iowa; and
- f. Increase the student health fee charged at Iowa State University and the University of Northern Iowa from \$88 to \$90 per academic year.
- g. Increase computer fees as follows:

<u>Institution</u>		<u>1996-97 Academic Year Rate</u>	<u>Proposed 1997-98 Academic Year Rate</u>
SUI	All students other than Law and Engineering	\$92	\$98
	Law students	150	160
	Engineering students	320	330
ISU	All students other than Engineering, Computer Science and Management Information Systems students	92	94
	Engineering students	320	330
	Computer Science and Management Information Systems students	250	258
UNI	All students	92	96

(2) That general institutional financial aid for students be increased at the same rate as the proposed increase in tuition and mandatory fees to maintain access for those having financial need to attend the universities.

The additional tuition revenues will be used for improvement of instructional and student services, expansion of course offerings, student retention, and provision of technology support.

The recommended 1997-98 rates for tuition and mandatory fees were unchanged from those presented at the September Board meeting and were recommended for final approval.

The recommended rate increase was consistent with the increase (3.5 percent - 4.0 percent) in the Higher Education Price Index projected by Dr. Charles Whiteman of the Institute for Economic Research at the University of Iowa. The Higher Education Price Index measures the price level of goods and services colleges and universities purchase for current educational operations.

The recommended 3.9 percent increase in the base tuition rate is less than the estimated increase in the unit cost of instruction. The proposed increase is less than projected increases in Iowa personal income in calendar years 1996 (5.6 percent) and 1997 (5.8 percent).

Affordability of access to the universities will be maintained by the proposed financial set aside to offset the increase in tuition rates to needy students.

With approval of the proposed rates, the percentage of the general university general education budget financed by tuition revenue is expected to decline in FY 1998.

The proposed 1997-98 tuition and fees will keep the University of Iowa's undergraduate resident tuition and fees the lowest in the Big Ten by at least 9.0 percent or \$272 and 33 percent below the current Big Ten median; the rate will be lower than the rates at other institutions of comparable quality.

Regent average 1995-96 resident undergraduate tuition and fees were 79.7 percent of the national average for public universities.

Iowa resident undergraduate tuition and fees as a percentage of the national average have declined each year since 1988-89; in that year, Regent tuition and fees were 93.2 percent of the national average.

The Regents' increase in tuition and fees in the current academic year (1996-97) of 3.6 percent compares to a national increase of 6 percent at four-year public institutions as reported in the College Board's annual tuition survey.

The proposed increase of 3.9 percent in tuition and mandatory fees (excluding the new \$10 health facility fee at the University of Iowa) for resident students is the second lowest rate increase since 1981-82 when the Board started setting rate increases annually.

The average annual increase in resident undergraduate tuition rates for the past ten years has been 6.0 percent; if mandatory fees are included, the average annual increase is 6.7 percent - 6.8 percent.

The average annual increase of 6.2 percent in base tuition at the University of Northern Iowa is slightly higher because of adjustments to the base tuition so that it would be comparable to tuition rates at the other Regents universities; the average annual increase at the University of Northern Iowa including mandatory fees is 6.9 percent.

Since FY 1993 base tuition rate increases have averaged 4.8 percent; general university expenditures have increased by an average of 5.1 percent since that time.

Iowa State University's proposed undergraduate resident tuition and fees would be 82.9 percent of the 11 Comparable Land Grant Universities 1996-97 median of \$3,338 (excluding ISU) and would rank the university no higher than 8th in its comparison group.

With the proposed rates, the University of Northern Iowa will not rank any higher than the median among eleven comparable public comprehensive universities.

The Institute for Economic Research reports in the September issue of the Iowa Economic Forecast that Iowa 1997 personal income is predicted to grow at a faster rate than previously estimated (5.8 percent compared to 4.7 percent). The projected increases in Iowa personal income in calendar years 1996 (5.6 percent) and 1997 (5.8 percent) exceed the proposed base tuition rate increase of 3.9 percent.

Regent tuition and fees as a percentage of Iowa per capita income (12.2 percent) are less than the percentages of most other Midwestern states and the nation (13.8 percent).

The increases will generate approximately \$7.5 million, net of increased student aid set aside, to be used to strengthen undergraduate and graduate instruction and to provide other improvements to the educational experience including continued implementation of the 4-year graduation plan and improvement of student retention and graduation rates, and student academic and support services.

The institutions and the Board Office recommended that, at the present time, mandatory computer fees continue to be charged separately from base tuition.

The universities have recently made significant efforts to increase student financial aid, particularly from private sources to ensure access by needy students. Federal student aid policy for federal FY 1997 provides increased support including a maximum Pell grant award of \$2,700, an increase of \$230 over the current level.

MOTION: Regent Arenson moved to approve the Board Office recommendation as presented beginning on page 313 of these Minutes. Regent Smith seconded the motion.

Mr. Richey stated that the recommendations were the same as last month. The increased tuition revenues were badly needed to finance the programs at the universities. He said the budget approved by the Board for the institutions for FY 1998 was based on four sources of revenue: 1) state appropriations, 2) reallocations, 3) tuition, and 4) external funds.

President Coleman expressed her support for the tuition increase. She discussed the specific uses of the tuition proceeds.

President Jischke stated that he very much supported the recommendation of the Board Office. He noted that Iowa State University remains quite a bargain. With regard to access, he reminded the Regents that Iowa State University's enrollments are increasing across the board.

President Koob expressed his support for the recommended tuition increase, noting that the proceeds will be used almost exclusively to improve the quality of the learning experience for students. He considers the request nominal and said the University of Northern Iowa is one of the best higher education bargains in the country.

Allison Miller, University of Iowa student government representative, stated that her job involves cooperation and coordination with all groups on campus. It is increasingly difficult to motivate students. However, in the case of the tuition increase recommendation, she said many students came to her to express their concerns. Almost 300 letters had been written (she presented President Newlin with a bound version of those letters). The students wanted the Regents to know that even a small increase in tuition increases the debt load. She stated that 80 percent of the students at the University of Iowa receive some form of financial aid.

President Newlin expressed appreciation to Ms. Miller for her presentation.

MOTION: Regent Dorr moved to amend the basic tuition increase from 3.9 percent to 2.6 percent and to amend the motion on the floor accordingly.
Regent Pellett seconded the motion.

Regent Dorr asked to read the following remarks into the record:

The issue of tuition and fee rates in conjunction with student aid and total Regent-wide budgets is always a source of anguish; anguish because the universities feel they must have this additional revenue since they contend it is the only new source of truly unencumbered funds and the students in turn feel the pressures of increasing cost. Within this particular policy decision, that of setting the annual increase in tuition and fees, is a culmination of all the issues and mandates each group feels compelled to defend as well as to mollify.

Our university and Regent-wide strategic plans for as long as I have been a member of the Board have clearly stated that our primary focus is to maintain quality undergraduate and graduate educational programs. If in fact we are doing that job well and cost effectively then the Board Office recommended tuition increase could be rationalized. But frankly I am not completely sure that is the case. In the past few weeks, as have most of you, I have been inundated

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with letters and phone calls from undergraduate and graduate students from all three universities. Some of the contacts may have been of the form letter type but many have been quite personal and sincere. The perceived quality of undergraduate instruction as conveyed to me is troubling. I'll cite some examples but before I do let me try to put my concerns into total context.

I believe that average annual budget growth over the last ten years of nearly 9 percent per annum is quite handsome and generous. I realize that much of the increase has come as a result of special appropriations but to suggest that the overhead component of those budget increases does not somehow enhance the overall university financial situation is a bit confusing at best and a straw man issue at worse. The ten-year average growth of nearly 7 percent in tuition and fee increases truly is excessive. So obviously something must be done. These two numbers alone are symptomatic of something that I fear may be out of control and they simply are not sustainable.

In some draft documents provided by the Board Office regarding on-campus credit programming, it is clearly stated that the percentage of lowans possessing college degrees is substantially below the national average, I believe they said 40th nationally, and that this is most likely due to the absence of affordable educational opportunities. The same document points out that Iowa's failure to keep pace with the educational attainment in other states has serious implications for the state's future especially in the area of economic development.

So at the same time we are making these observations other interesting facts surface. Over the last 10 years total undergraduate enrollment at the universities has declined by 8 percent or some 4,389 students. So although graduate student enrollment is up 11 percent over the same period of time, that only amounts to 1,525 students. While these trends were occurring, full-time employment at the universities rose 13 percent or 2,228 employees. Part-time or seasonal temporary employment rose by nearly 44 percent or 1,280 employees. One needs to ask for what these resources are being used since enrollments were down.

In the meantime, the following are some observations and comments which I received from students. Several graduate students involved as TAs and instructors indicated that even with the Centers for Teaching Excellence only a small minority still receive any formal pedagogical training prior to the classroom teaching endeavors. Secondly, a doctoral candidate indicated that her experience had been that the truly outstanding teacher researchers are spending minimal time in the classroom and that less demanding and less spectacular

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instructors are more the norm. Obviously this can't be confirmed or denied since we are unable to develop faculty audit information in the present situation. At the University of Iowa I'm told that access to campus computer systems and data bases is so difficult that the university is seeking assistance from a private vendor for the installation of modems to provide back door Internet access at a cost per student account of approximately \$13 per month.

Iowa State University GSB President Adam Gold wrote, and I think this summarizes my observations quite well: "There were 44 percent more loans requested since 1991-92. During that same period a 94 percent increase in the amount of moneys was requested. Students have proven they will consistently borrow more and more money. Given these facts it seems to me that access to financial aid has become an excuse to raise tuition therefore leading to an increase in university budgets. Someone must take the responsibility to curtail the rise of financial aid requests. There are simple straightforward ways to achieve this initiative: reduce the incremental increases in tuition, attempt to maintain university budgets without seriously jeopardizing quality, and keep financial aid in check. In my opinion Iowa State students would rather have lower tuition rates than easier access to debt."

I contend that we are at risk of losing focus on our primary mission of providing quality educational experiences. As I have been for some time, I am still concerned that we have embarked on too many ancillary non-essential political "feel good" programs and projects which detract precious resources from our primary objective. We have done this in the name of technology transfer and economic development while at the same time our own university people tell us the key to economic development is a college-educated population. Yet, we only rank 40th nationally in that regard.

In conclusion, who is accountable for these matters? In my opinion we, the Board, are. If an increase in reallocations is necessary in order to contain the increase in tuition and fees and that is what it takes to force the institutions to refocus on their primary mission, then so be it.

Regent Arenson referred to Regent Dorr's comment that he might change his views about tuition if he was persuaded that the quality was there. He said the University of Iowa has the lowest resident undergraduate tuition and fees in the Big Ten according to price value. The University of Iowa law school ranked among the lowest for out-of-state tuition and fees in the nation. The U.S. News and World Report ranked the University of Iowa as having one of the top undergraduate business programs in the nation. The U.S. News and World Report ranked the University of Iowa as #6 on its list of best value sticker price, which is a combination of quality and price. He said that at Iowa

State University, tuition and fees ranked in the bottom one-half of its comparison group. The U.S. News and World Report and an objective outside source both ranked Iowa State University as having one of the top undergraduate engineering programs in the nation. They ranked Iowa State University as one of the best values in the nation and one of the best values considering sticker price for value. While the U.S. News and World Report regional ratings are not out yet, Regent Arenson stated that the University of Northern Iowa has been rated a best buy for a number of years.

Regent Arenson noted that he had also received letters from students, although the letters he received addressed more than finances. The students talked about environment, benefits to students and quality education. He said the initiatives proposed by the three universities for expenditure of the additional tuition funds go right to the heart of the strategic plan of each university: promoting quality undergraduate education. University officials have indicated that the tuition increase will be used to enhance the undergraduate experience and have given specific examples. He said he believed the Regents would be sending the wrong message to the universities if, at this time, they voted against a 3.9 percent tuition increase. He urged his colleagues to vote down Regent Dorr's proposed amendment and to approve the 3.9 percent increase.

Regent Mahood expressed support for Regent Arenson's comments. She suggested that next year when tuition policy is discussed and the plans are made for what to do with the proceeds of the next year's additional tuition revenue, the universities include specific examples of what was done with the additional tuition proceeds from the previous year.

The Regents agreed with Regent Mahood's suggestion and asked that the universities and Board Office present the requested information during future tuition policy discussions.

Regent Pellett stated that tuition had been increased every year since she first came on the Board. She was told by an outgoing Regent upon her appointment that the Regents have three constituencies: 1) taxpayers, 2) faculty and 3) students. The former Regent told her that she would never go wrong by putting the students first. She said the recommendation of a 3.9 percent increase is at the upper end of the Higher Education Price Index. Regent Dorr's recommendation is approximately the rate of the Consumer Price Index. She said she had great difficulty understanding how a tuition increase at the higher end of the Higher Education Price Index increases accessibility. She urged her colleagues to support Regent Dorr's recommendation of a 2.6 percent increase in tuition.

Regent Dorr cautioned that if they were to continue to approve tuition increases this much in excess of the Consumer Price Index, it would cause real trouble in their ability to attract and retain students.

Regent Lande stated that he intended to support the 3.9 percent increase for all of the reasons suggested. He said Regent Dorr raised a couple of questions which he asked be addressed in the future. The first relates to the total cost of university education, what it has been, what the increases have been over the last decade, and what can be foreseen for the future. Also, with regard to the university employment increases, he asked how those employment increases (which have gone up as enrollments have gone down) are spread among teaching, research, administration and support staff. He said the Regents and university officials need to look at that situation. There may be good and cogent reasons for the apparent disparity, but they should know and understand the information.

Regent Kennedy referred to the educational costs relative to comparables nationwide. She said the quality of the service provided is pretty hard to argue. The Regents have set some high standards with the university strategic plans. She would hesitate to pull back at this time with the commitment to continued improvements and to be the best institutions possible. Students are foremost in the minds of the Regents. She has considered the letters and knows this is a tough situation. She asked that university officials ensure that students see visible signs of how the funds are being committed. She hoped they had all learned from this process the importance of students understanding the efforts to improve services and quality of education.

Regent Tyrrell expressed appreciation to the students for the amount of time and effort they put into understanding the issues. He said that perhaps one of the deficiencies on the part of the Board and the institutions is that they have not really informed students about how their tuition moneys are being spent. He suggested something similar to a "your tax dollars at work" construction-type sign. He explained to students who contacted him that the Board's minutes are available for their review to help them understand the Board's deliberations when it makes tuition decisions. As students understand the issues better, they will understand that the Board approves tuition increases because in the long run they believe it is in the best interest of the students.

Regent Smith stated that there needs to be better communication. Many of the issues that were described in the students' letters were not dollar issues. They were climate issues that could be remedied with some conversation. She asked that institutional officials review the letters and address the issues.

VOTE ON MOTION:

The motion to amend the motion was voted upon with the following results:

AYE: Dorr, Pellett.
NAY: Arenson, Kennedy, Lande, Mahood, Newlin,
Smith, Tyrrell.
ABSENT: None.

MOTION DEFEATED.

MOTION: Regent Pellett moved to amend the original motion by changing the percentage increase in tuition to 3.3 percent. Regent Dorr seconded the motion. The motion to amend the motion was voted upon with the following results:
AYE: Dorr, Pellett.
NAY: Arenson, Kennedy, Lande, Mahood, Newlin, Smith, Tyrrell.
ABSENT: None.

MOTION DEFEATED.

VOTE ON THE MOTION: The motion to approve the Board Office recommendation as presented beginning on page 313 of these Minutes was voted upon with the following results:
AYE: Arenson, Kennedy, Lande, Mahood, Newlin, Smith, Tyrrell.
NAY: Dorr, Pellett.
ABSENT: None.

MOTION CARRIED.

Regent Pellett referred to the second recommendation of the Board Office relating to increasing institutional financial aid for students at the same rate as the increase in tuition and fees. She said they were "robbing Peter to pay Paul". She asked that next year the recommendation regarding student financial aid be pulled out as a separate motion from the proposed tuition policy.

AFFIRMATIVE ACTION. (a) Annual Report on Targeted Small Business. The Board Office recommended the Board receive the annual reports on targeted small businesses.

The Affirmative Action Priority Issue Study Group reviewed this report at its meeting on October 16. Regent Smith who leads this group reported on the discussions of the study group.

Regent institutions spent a total of \$424,511,093 in fiscal year 1996 for construction, goods, supplies and services of which \$10,960,915 (2.58 percent) was spent with targeted small businesses.

Purchases from TSBs amounted to 2.21 percent of total purchases in fiscal year 1995.

Regent institutions have spent \$96,518,738 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.

Continuing discussions are occurring between representatives of the Departments of Management, Economic Development, Inspections and Appeals, Transportation and the Board Office regarding exploring new and different ways to market the Targeted Small Business Program. This includes utilization of the Iowa Communications Network (ICN), small business fairs and attending TSB sponsored meetings.

Regent institutions and the Board office will be called upon to assist in the development and implementation of the targeted small business marketing program.

Regent Smith stated that those present at the Priority Issue Study Group on Affirmative Action meeting the previous day found it to be educational. She said it was an opportunity to reaffirm the Regents' commitment to diversity on the campuses. The meeting participants left the meeting with an understanding of the need to be creative in planning to meet the goals established by the Board of Regents in the areas of targeted small business, employment, recruitment and retention of employees and students, and graduation rates.

ACTION: President Newlin stated the Board received the annual reports on targeted small businesses, by general consent.

(b) Report on 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 Grants for Economic Success (IMAGES) programs.

The Affirmative Action Priority Issue Study Group reviewed this report at its meeting on October 16. Regent Smith reported on the discussions of the study group.

A total of \$1,909,491 was allocated to the College Bound and IMAGES programs in fiscal year 1997.

	IMAGES Program		College Bound Program	
	1996	1997	1996	1997
University of Iowa	\$ 630,000	\$ 671,289	\$110,000	\$110,000
Iowa State University	\$ 672,937	630,000	90,625	91,160
University of Northern Iowa	\$ 286,865	327,042	80,000	80,000
Total	\$1,589,802	\$1,628,331	\$280,625	\$281,160

A total of 774 minority students received IMAGES grants for the 1996-97 academic year, an increase of 38 from the previous year. IMAGES grants are not the only source of financial assistance to minority students. Other grants, scholarships and loans are also available to assist minority students demonstrating financial need.

The following table identifies the number of minority students by race/ethnicity who were assisted with IMAGES grants for the 1996-97 academic year. Asian-American students received 47.5 percent of the IMAGES grants. African-American students received 29.6 percent of the grants followed by Hispanic students with 18.6 percent and American Indian students with 4.3 percent.

Race/Ethnicity of IMAGES Recipients

	SUI		ISU		UNI		Total	
	1996	1997	1996	1997	1996	1997	1996	1997
African-American	77	62	66	81	70	86	213	229
Hispanic	39	50	69	73	44	21	152	144
Asian	159	158	155	156	9	54	323	368
American Indian	8	10	15	15	25	8	48	33
Total	283	280	305	325	148	169	736	774

Patterns of distribution of IMAGES grants among classes of students varied among institutions. While freshmen at the University of Iowa and the University of Northern Iowa received the largest number of grants, the reverse was true at Iowa State University where seniors received the largest number of grants, followed closely by freshman.

Distribution by Class of IMAGES awards

	SUI		ISU		UNI		Total	
	1996	1997	1996	1997	1996	1997	1996	1997
Freshmen	51	107	79	96	55	60	185	263
Sophomores	56	51	56	67	44	30	156	148
Juniors	72	53	49	56	33	40	154	149
Seniors	104	69	121	106	16	39	241	214
Total	283	280	305	325	148	169	736	774

ACTION: President Newlin stated the Board received the annual report on College Bound and Iowa Minority Grants for Economic Success (IMAGES) programs, by general consent.

(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 Affirmative Action Priority Issue Study Group reviewed this report at its meeting on October 16. Regent Smith reported on the discussions of the study group.

The fiscal year 1996 expenditures for the programs were:

University of Iowa	\$383,975
Iowa State University	188,830
University of Northern Iowa	<u>40,000</u>
Total	\$612,805

The University of Iowa's program is administered by the Associate Provost and Director of Opportunity at Iowa, and the funds are used to support the first several years of employment of newly-recruited faculty members.

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.

The total minority faculty at the University of Iowa has grown to 187 minority tenure track faculty.

Since the program was initiated in fiscal year 1990, Iowa State University has provided full or partial funding for 31 women or minority faculty members at a total cost of \$870,000.

Iowa State University is using program funds 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 (UCC) 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. A minority female has been recruited and hired as Associate Dean for the Graduate College and as a faculty member in the Department of Educational Administration and Counseling.

Regent Tyrrell stated that the report appeared to address minorities but not women. Mr. Richey responded that further information regarding women would be presented in December when the Board receives the overall affirmative action reports.

ACTION: President Newlin stated the Board received the report on Minority and Women Educators Enhancement Programs, by general consent.

REPORT OF THE BANKING COMMITTEE. The Board Office recommended the Board accept the report of the Banking Committee and approve the master lease financing for the Institute of Hydraulic Research Modeling Facility (SUI) and the selection of a master lease provider.

Regent Kennedy stated that the Banking Committee members received presentations by representatives of Walter Scott and Partners and INVESCO on the performance of Regent institutional endowment funds under their management. The Banking Committee received the semi-annual report on the Regents' master lease agreement.

With regard to matters that required Board of Regents approval, Regent Kennedy stated that the Banking Committee approved master lease financing for the Institute of Hydraulic Research Modeling Facility (SUI) and selected Norwest Investment Services for continuation as the master lease provider. The Banking Committee recommended that the Board authorize the Executive Director to enter into a contract with Norwest Investment Services. Institutional officials generally agreed that Norwest had served the institutions well in the past. There was no need to change providers from a cost or service point of view.

MOTION: Regent Kennedy moved to accept the report of the Banking Committee and approve the master lease financing for the Institute of Hydraulic Research Modeling Facility (SUI) and the selection of a master lease provider. Regent Arenson seconded the motion, and upon the roll being called, the following voted:
AYE: Arenson, Kennedy, Lande, Mahood, Newlin, Pellett, Smith, Tyrrell.
NAY: None.
ABSENT: Dorr.

MOTION CARRIED.

ANNUAL SALARY REPORT. The Board Office recommended that the Board receive the annual salary report.

In accordance with state salary policy guidelines, the Board of Regents fiscal year 1997 salary policy was established as follows:

- Net increases for faculty at the three universities will average four percent.
 - The collective bargaining agreement with the United Faculty at the University of Northern Iowa provided for a 2.14 percent increase (across-the-board) plus \$314 (step) to be added to the 1995-96 base plus an individual adjustment increase based on merit (total increase of approximately four percent).
 - Because of the salary funding shortfall in the allocation by the Department of Management, Iowa State University has withheld a portion of the increases for its faculty and professional and scientific staff until the funds actually become available.
- Fiscal year 1997 increases for professional and scientific staff would average four percent.
- The faculty at the special schools would receive increases averaging four percent.
- Regents Merit System employees both in AFSCME bargaining units and nonorganized supervisory employees received 2.5 percent increases in salary scales.
 - Eligible employees will receive merit step increases on their anniversary dates.
 - Employees on Step 8 will receive a nonrecurring \$300 bonus (\$150 for part time) in December 1996.
 - Approximately 55 percent of the employees in the merit system are on step 8 and do not receive merit step increases.

The Board of Regents received an initial allocation of appropriations for salary increases for fiscal year 1997 of \$17.9 million. This represented a \$4.3 million shortfall from the anticipated need of \$22.2 million.

After the initial appropriations were made, an additional \$1.7 million was received as reimbursement from the state Insurance Surplus Fund for the employer's cost of the state health insurance premium rate increases.

The Department of Management anticipates the remaining shortfall will be made up of savings from health insurance claims reviews and mental health managed care.

The Board of Regents has requested in the event this does not occur, a supplemental appropriation of up to \$2.3 million for fiscal year 1997 to cover any shortage of full funding of the salary policy.

Regent Tyrrell referred to information in the docket memorandum which indicated that no faculty salary increases were granted in excess of 8 percent. He asked for the average and the range.

President Coleman responded that 8 percent is a cap at the University of Iowa. The average salary increase was 4 percent. She said some people received no increases across all ranks.

Regent Lande stated that for Iowa State University and the University of Northern Iowa it appeared that everyone received increases. President Jischke responded that approximately six faculty had performance that was considered inadequate. The minimum salary increase was 1.33 percent for those who met expected performance standards.

Mr. Richey stated that at the University of Northern Iowa there is a little different spread because of the collective bargaining contract. Thirty percent of the salary funds are distributed based on merit.

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

REGENTS MERIT SYSTEM REPORT. The Board Office recommended (1) that the Board receive the governance report on the operation of the Regents Merit System in fiscal year 1996, and (2) approve the plans for upcoming year:

- a) Review of the rules of the Regents Merit System relative to the nomenclature used in describing appointments and
- b) Continuing the review and updating of the classification system.

In fiscal year 1996, there were 8,430 permanent and probationary employees in the Regents Merit System, a decrease of 155 over the previous year-end total.

By occupational category, there were 737 supervisory employees, 2,607 blue collar, 111 security, 1,454 technical and 3,521 clerical employees.

Two-thirds of the covered employees are female. Minority employment has stayed at 4.9 percent overall.

These employees are classified into 293 classifications. The majority of the employees, 97 percent, are covered under a statewide collective bargaining agreement; 737 supervisory employees and 132 confidential clerical employees are exempt from bargaining units.

Representatives from the Board Office and the Regent institutions will participate as members of the management team during AFSCME negotiations for the 1997-99 agreement which will begin in the winter of 1996. Regent AFSCME-covered employees account for about 40 percent of the statewide unit.

Turnover rate during fiscal year 1996 was approximately 7 percent.

Over the past ten years, merit system employment has ranged from a high of 8,798 in 1990 to a low of 8,322 in 1992. Average employment for the ten-year period is 8,543.

The average Regent Merit System employee salary for fiscal year 1996 was \$24,511 excluding fringe benefits. Average salary including insurance and retirement benefits was \$30,300.

The fiscal year 1997 budgeted expenditure for salaries and fringe benefits for employees in the Regents Merit System is \$250 million total from all funds. The general fund portion is budgeted at \$195 million.

The merit system pay plan contains five matrices (supervisory, blue collar, security, technical, clerical). Each matrix covered by collective bargaining has 15 grades with 8 steps. The supervisory matrix has 18 grades with 8 steps. In fiscal year 1996, the five merit system pay matrices (supervisory, blue collar, technical, security, clerical) were increased by three percent on July 1, 1995. On July 1, 1996, the merit system pay matrices were increased by 2.5 percent. In addition, full-time employees on Step 8 of the matrices will receive a \$300 bonus (part-time \$150) in December 1996.

Eligible employees receive step increases on their employment anniversary dates. Over half (55 percent) of the merit system employees are on step 8 and do not receive step increases.

Regents Merit System compensation and classification plans are administered in accordance with state law on comparable worth through the use of a point count system of job evaluation. The Regents Merit System is administered from the Board Office through Resident Directors and their personnel staffs on each campus.

Day-to-day operations of the merit system including testing and rating and ranking of applicants, appointments, promotions, and discipline are carried out under the direction of the Resident Merit System Directors at the five institutions. Position classification reviews are forwarded to the Board Office for final classification determination. Recommendations from the Resident Merit System Director accompany the requests for reviews.

A total of 438 requests for reclassification were processed. Five requests were appealed to a classification review committee with three decisions being upheld; one being decided for the employee. One appeal has been heard, but the committee decision has not been received.

Merit rule changes and related interpretations, policy development, salary policy, and classification plan revisions are accomplished by the Human Resources Unit in the Board Office in consultation with the institutions.

The staff of the Human Resources Unit acts as liaison between the institutions and the Iowa Department of Personnel in interpreting the AFSCME agreement as well as providing a leadership role in the AFSCME collective bargaining negotiations.

In fiscal year 1996, 18,715 pre-employment examinations and evaluations of training and experience of applicants were conducted.

There were 586 new appointments to merit system positions during the year. New appointments are down from 817 in fiscal year 1995. This is due to a variety of reasons -- an overall reduction in the number of employees, more internal reassignments, many in lieu of layoff, and more contract transfers.

New Merit System employees may be appointed as either permanent employees or in various temporary capacities. Permanent employees are certified from eligibility lists and serve a six-month probationary period. Merit systems have long used the term "permanent" to describe career employees.

During the coming year, the Regents Merit System Director along with the Resident Directors at the institutions will review the rules to determine if different nomenclature could be used to effectively describe the current permanent appointment.

In fiscal year 1996, a review of clerical classifications was undertaken. Drafts of class descriptions are currently out to the institutions for final review. Additional classification groups will be reviewed in the upcoming year.

ACTION: President Newlin stated (1) that the Board received the governance report on the operation of the Regents Merit System in fiscal year 1996, and (2) approved the plans for upcoming year, as presented, by general consent.

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

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

The Board Office reported that anticipated expenditures are expected to be very close to the budgeted amount for fiscal year 1997.

ACTION: This report was received by consent.

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

November 20-21, 1996	Iowa State University	Ames
December 17	Hotel Fort Des Moines	Des Moines
January 15-16, 1997	Board of Regents Retreat	West Des Moines
February 19-20	University of Iowa	Iowa City
March 19-20	Iowa State University	Ames
April 15	Iowa Braille and Sight Saving School	Vinton
April 16	University of Northern Iowa	Cedar Falls
May 21-22	Iowa School for the Deaf	Council Bluffs
June 18-19	Lakeside Laboratory	Okoboji
July 22-23	Iowa State University	Ames
September 10-11	University of Northern Iowa	Cedar Falls
October 15-16	University of Iowa	Iowa City
November 18-19	Iowa State University	Ames
December 17-18	(To be determined)	Des Moines

The December meeting of the Board of Regents will be held at the Hotel Fort Des Moines, Des Moines, Iowa.

ACTION: President Newlin stated the Board accepted the Board Meetings Schedule, by general consent.

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

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Thursday, October 17, 1996.

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

Register of Personnel Changes for September 1996 which included eight requests for early retirement and two requests for phased retirement.

ACTION: President Newlin stated the Board approved the university's personnel transactions, as presented, by general consent.

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

PERMISSION TO PROCEED WITH PROJECT PLANNING

Stadium Pressbox

University officials requested permission to proceed with project planning to construct a new Stadium Pressbox at Cyclone Stadium. The university wishes to utilize a design/build project delivery method with an architect/construction manager team. University officials requested approval to proceed with project planning and the selection of the project architect and construction manager.

The Iowa State University Foundation and Athletic Department have launched a major campaign which includes raising funds to construct a new pressbox at the Cyclone Stadium Complex. The project will provide new and expanded media and Skybox areas and will remodel the existing pressbox into expanded Skybox suites.

The university will not proceed with formal planning until it is assured that the Foundation financing is in place and the project can proceed through completion. While the design work is underway the Foundation will complete the financing plan, to include gifts-in-kind, with the possibility of acquiring a contribution of professional construction management services.

A substantial portion of the revenue to construct the pressbox will come from ten year leases of the suites and a loan from a financial institution to the Foundation. The revenue to pay off the loan would come from individuals or donors who would enter into a ten year agreement with the Foundation to pay \$150,000 to \$390,000 for a suite seating from nine to 32 individuals. These payments could be made either in ten year annual amounts or up front with a 20 percent discount. The donors would have the right to renew at the end of the ten years. Revenues from the leases would be used to meet debt service obligations. The university would not be obligated for any of the debt.

The suites will be marketed to both individuals and organizations that are willing to make ten year commitments. Since the project would be undertaken by the Foundation, there may be some prospective donors who will purchase suites through contributions to the project. Some university-related entities may purchase suites. General university funds would not be used.

An essential component of the funding plan is the sale of 20 Skyboxes to football patrons for which commitments exist. To take advantage of this funding source it is essential that the new and remodeled facilities be completed before the start of the 1997 football season. To meet this time schedule the university plans to utilize a design/build project delivery method with an architect/construction manager team. The project architect, construction manager, and university will form a team to design the building, divide the work into appropriate packages of material and labor, receive bids for each package, and manage all construction activities. This process is designed to maximize the quality of the finished project, while at the same time minimizing time and construction costs.

The new pressbox will likely be constructed behind the west stands of the stadium. The land would be leased to the ISU Foundation for the construction project, which will be funded entirely with private gifts to the Foundation. The university proposes to construct the pressbox using procedures similar to those used to construct Cyclone Stadium, the Iowa State Center Complex and the recently completed Jacobson Athletic Building. These projects were constructed under an agreement with the Foundation, the university, and the Board of Regents; the Foundation possessed ownership of the project until completion of construction. All construction contracts for the Stadium Pressbox project will be entered into by the ISU Foundation. Upon completion of the

project, title to the facility would be transferred to the university which will then operate it. As part of the agreement between the university and the Foundation, the obligation to the lease holders would be maintained by the Athletic Department.

University officials will bring forward for Board approval the lease documents. These will be reviewed by the Attorney General's Office.

In order to proceed as quickly as possible, university officials plan to combine the building program with the schematic design phase of the project for presentation to the Board for approval.

Regent Pellett urged university officials to pay very close attention to the aesthetics of the area. Vice President Madden responded that university officials want the new construction to blend in as best as it can.

PROJECT DESCRIPTIONS AND BUDGETS

University officials submitted four new projects for Board approval.

Maple-Willow-Larch and Commons--Fire Safety Improvements

\$400,000

Source of Funds: Dormitory System Surplus Funds

	<u>Preliminary Budget</u>
Contracts	\$ 342,000
Design Services	29,000
Project Administration	6,000
Miscellaneous	1,000
Project Reserve	<u>22,000</u>
TOTAL	\$ 400,000

University officials requested approval of a project description and budget to install an automatic smoke and heat detection system throughout Maple, Willow and Larch Halls and the adjoining Commons facility. The system will be installed in all areas of the buildings including public, mechanical and non-student rooms and corridors. The project will correct citations of the State Fire Marshal's office.

Stadium Pressbox

\$4,542,000

Source of Funds: ISU Foundation

Preliminary Budget

Contracts	\$ 3,002,000
Design Services	402,100
Project Administration	186,680
University Services	30,000
Miscellaneous	20,000
Landscaping	25,000
Utility Extensions	145,000
Movable Equipment	187,000
Art Work	22,710
Building Automation	45,000
Telecommunications	20,000
Project Reserve	<u>456,510</u>

TOTAL \$ 4,542,000

University officials requested approval of a project description and budget in the amount of \$4,542,000 to construct a new stadium pressbox at Cyclone Stadium and remodel the existing pressbox space.

Hilton Coliseum--Replace Roof Area A

\$865,000

Source of Funds: Hilton Coliseum Surplus Fund

Preliminary Budget

Contracts	\$ 721,000
Design Services	10,000
Project Administration	34,600
University Services	5,000
Miscellaneous	5,400
Project Reserve	<u>89,000</u>

TOTAL \$ 865,000

University officials requested approval of a project description and budget to replace a 123,300 square foot section of the Hilton Coliseum roof. The existing roofing system of

Hilton Coliseum consists of a mechanically-attached membrane that was installed over the original (1970) built-up roofing system. The roof membrane is 16 years old and has required a great deal of annual maintenance over the last five years to prevent leaking. The current rate of deterioration of the roof is outpacing the university's ability to keep up with the repairs. In addition, the wet roofing insulation is contributing to the deterioration of the structural deck.

The project will include the removal of both the original roofing system and the membrane; inspection of the structural deck and replacement of sections as needed, and installation of new insulation and roof membrane.

<u>Wallace Hall--Elevator Upgrade and Modernization</u>	Original Budget
<u>\$535,000</u>	
Source of Funds: Dormitory System Surplus Funds	Revised Budget
<u>\$425,000</u>	

Project Budget

	Revised Budget <u>Sept. 1994</u>	Amended Budget <u>Sept. 1996</u>
Contracts	\$ 456,000	\$ 319,000
Design Services	49,000	61,360
Project Administration	5,000	6,375
Miscellaneous	1,000	1,000
Project Reserve	<u>24,000</u>	<u>37,265</u>
TOTAL	<u>\$ 535,000</u>	<u>\$ 425,000</u>

University officials requested approval of a revised project budget in the amount of \$425,000, a decrease of \$110,000, reflecting a reduction in the project scope. In September 1994 the university received approval of a project description and budget in the amount of \$535,000 for the Buchanan and Wallace Halls--Elevator Upgrade and Modernization project. The project included two phases: Wallace Hall (scheduled for August 1996) and Buchanan Hall (scheduled for August 1997).

University officials have determined that Residence Department funds and priorities will not allow for the completion of the elevator work in both halls at this time. Therefore, the university requests approval of a revised project budget which will provide only for improvements to the elevators in Wallace Hall. The work will include modernization and

renovation of the elevators as well as refurbishment of the penthouse to support the elevator improvements.

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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.

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ARCHITECT/ENGINEER AGREEMENTS

<u>Maple-Willow-Larch Commons--Fire Safety Improvements</u> KJWW Engineering Consultants, Des Moines, Iowa	<u>\$29,000</u>
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University officials requested approval to enter into an agreement with KJWW Engineering Consultants to provide design services for the project. The agreement provides for a fee of \$29,000, including reimbursables.

<u>Wallace Hall--Elevator Upgrade and Modernization</u> Rietz Consultants, Ames, Iowa	<u>\$41,360</u>
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University officials requested approval to enter into an agreement with Rietz Consultants to provide design services on the project. The agreement provides for a fee of \$41,360, including reimbursables.

<u>Engineering Teaching and Research Complex--Phase I</u> The Weitz Company, Des Moines, Iowa	<u>\$2,177,965</u>
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University officials requested approval to enter into an agreement with The Weitz Company to provide construction management services for Phase I of the project. The university received expressions of interest from 15 construction management firms/teams and selected four for interviews and further evaluation. All of the firms were asked to respond to specific topics relative to the project including staffing, cost control, scheduling, quality of construction and fees. In addition, the firms were asked to address methods for dealing with the construction complexities involved with this project. After careful consideration the university recommends the selection of The Weitz Company to provide construction management services for Phase 1 of the project. The Weitz firm demonstrated extensive experience, ability, and exuberance to complete the project.

University officials requested approval to enter into an agreement with The Weitz Company for a fee of \$2,177,965, which includes pre-construction services (\$170,460), basic services (\$607,555), and reimbursables (\$1,399,950). The reimbursable expenses do not include general conditions work which may be performed by the construction manager to facilitate the overall construction effort. An amendment to the agreement will be negotiated when these services are better defined. Approval was recommended contingent upon review of the contract documents by the Attorney General's office.

Amendments:

Curtiss Hall--Partial First Floor Remodeling and Amendment #2 \$6,715
Air Handling Unit
Savage-Ver Ploeg and Associates, West Des Moines, Iowa

University officials requested approval of Amendment #2 in the amount of \$6,715 to the agreement with Savage-Ver Ploeg and Associates. The amendment will provide for additional design services and construction administration based on various changes requested by the university following award of the construction contract. Included are ductwork modifications and changes in flooring materials and doors.

Amendment #2 will not result in an increase in the total project budget.

University Child Care Facility \$6,800
Baldwin White Architects, Des Moines, Iowa

Library Storage Building/Administrative Services Facilities Office Building \$16,902
Shiffler Associates, Des Moines, Iowa

CONSTRUCTION CONTRACTS

University Child Care Facility \$1,019,800.00
Award to: Harold Pike Construction Company, Ames, Iowa
(5 bids received)

GENERAL
October 17, 1996

Utilities--Heating Plant--Chiller No. 4--Cooling Tower 13.8 KV Feeder \$299,583.00
Award to: Meisner Electric, Newton, Iowa
(2 bids received)

Library Storage Building/Administrative Services Facilities Office Building

Bid Package #21 \$114,999.99
Award to: R. G. Elder and Sons Company, Des Moines, Iowa
(2 bids received)

Bid Package #31
Award to: Woodruff Construction Company, Fort Dodge, Iowa \$127,950.00
(3 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Armory--Roof and Curtain Wall Replacement--Phase 2
Wood Roofing Company, Des Moines, Iowa

Gilman Hall Renovation--Phase 3--Upgrade Corridors/Stairs, Terrazzo Floors
Jensen Builders, Fort Dodge, Iowa

MOTION: Regent Kennedy moved to approve the Iowa State University capital register, as presented. Regent Mahood seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

University officials requested approval to enter into a lease as lessor with NewMonics Incorporated for its use of 272 square feet of business incubator space in the Iowa State Innovation System at the ISU Research Park for a one year period at the rate of \$300 per month for the first six months (\$13.24 per square foot, \$3,600 per year), increasing to \$325 per month for the following six months (\$14.34 per square foot, \$3,900 per year).

University officials requested approval to enter into an easement agreement with U. S. West Communications for its use of a portion of land at the Williams Research Center in Hamilton County for the relocation of a telephone cable.

University officials requested approval to enter into three easement agreements with the Xenia Rural Water District for its use of land on three university farms as follows:

- for a portion of land on the Finch Farm located in Story County for installation of a meter pit;
- for a portion of land on the Ruminant Nutrition Farm located in Story County for installation of a water pipeline;
- for a portion of land on the Swine Nutrition and Management Research Center located in Boone County for installation of a water pipeline.

University officials requested approval to renew its lease as farm operator with American Legion Post #193, Newell, Iowa, for the university's use of 122.8 acres of cropland located in Buena Vista County, Iowa, at the rate of \$123 per acre (\$15,104.40 per year) for a one-year term.

University officials requested approval to extend its lease as lessor with William G. Gardner for his use of Hanger #1 at the ISU Flight Service at the rate of \$375 per month (\$4,500 per year) for an eight-month period or until the hanger is sold by the university.

MOTION:

Regent Mahood moved to approve leases and easements, as presented. Regent Arenson seconded the motion, and upon the roll being called, the following voted:

AYE: Arenson, Kennedy, Lande, Mahood, Newlin, Pellett, Smith, Tyrrell.

NAY: None.

ABSENT: Dorr.

MOTION CARRIED.

RESIDENCE HALL STRATEGIC PLAN. The Board Office recommended the Board (1) receive the report from Iowa State University regarding intentions to develop a Residence System Strategic Plan and (2) request Iowa State University to include a detail review in the strategic plan showing the expected impact of any changes on the residence system operating revenues, costs, and charges to students.

Iowa State University officials intend to develop a plan of how to best use the residence facilities to support the enrollment and other educational goals of the university.

After 29 years, the Director of the Iowa State University Department of Residence, Charles Frederiksen, retired from the residence system which is one of the 15 largest in higher education in the country.

University officials anticipate employing a consulting team to assist with developing the long-term plan for utilizing and/or modifying the present facilities, and if needed, developing a plan for new facilities.

The Residence System Strategic Plan will advance several of the university goals, such as:

- Strengthening undergraduate teaching, programs, and services through the provision of residence facilities that provide living/learning communities and opportunities which foster integration of education and out-of-classroom contact;
- Sustaining and enhancing an intellectually stimulating environment through the provision of residence facilities that encourage new and innovative partnerships among faculty, staff, and students; and
- Effectively using information technology by increasing student access to technology in the residence hall rooms, providing meeting room space for interactive computer capabilities, and designing program support space to encourage the use of new technology.

The consulting team is to identify and analyze the various market segments currently or potentially served by the residence department; the Board Office assumes this will involve a number of students and faculty.

Based upon the analyses, the university will develop a plan to address both the renovation/demolition of current facilities and the likelihood of constructing new facilities.

The anticipated scope and scale of modernization/changes may likely involve several million dollars over several years and may involve debt financing.

The university's administration will review the recommendations by the consulting team and bring them before the Board for approval in accordance with the Board's procedures.

Iowa State University officials are to be commended for undertaking a comprehensive review at this time, however, the strategic plan should also address the impact of any changes to the residence system operating revenues, costs, and charges to students.

Vice President Theilen reviewed the information with the Regents. He said he believes that students who live on campus are more involved, usually achieve at a higher level, persist to graduation at a higher rate, and leave the institution feeling good about the institution. The world of students has changed dramatically especially in the area of privacy.

Regent Pellett stated that the plan was excellent. She noted that the University of Northern Iowa has some very nice suite arrangements in its residence system. She urged university officials to carry on.

MOTION:

Regent Pellett moved to (1) receive the report from Iowa State University regarding intentions to develop a Residence System Strategic Plan and (2) request Iowa State University to include a detail review in the strategic plan showing the expected impact of any changes on the residence system operating revenues, costs, and charges to students. Regent Smith seconded the motion.
MOTION CARRIED UNANIMOUSLY.

ISU INSURANCE BENEFITS PLANS. The Board Office recommended the Board ratify the recommendation of the Employee Health Insurance Priority Issue Study Group to approve Iowa State University's request to complete implementation of a flexible benefits program as described below.

The Employee Health Insurance Priority Issue Study Group reviewed the flexible benefits proposal at its meeting prior to the Board meeting. Regent Pellett presented a report of the study group meeting.

Iowa State University officials requested that the Board of Regents approve the implementation of its flexible benefits programs. The request is the culmination of activities undertaken by Iowa State University to fulfill its commitment to institute health care cost containment initiatives.

The flexible benefits program proposed would offer employees (faculty, professional and scientific, and supervisory merit staff) four different health insurance options:

Health Maintenance Organization (HMO)

Point of Service Plan (POS)
Indemnity plan similar to the current PAT 1000
Catastrophic Plan with high deductibles and out-of-maximums

Life, dental and long term disability insurance options would also be expanded.

The flexible benefits program would be consistent with IRS Regulation Section 125. Employees would be given credits from which they will be able to purchase from the "cafeteria" of benefits offered.

Through competitive bidding, university officials identified carriers and programs that provide the opportunity for future cost containment, are financially consistent with the fiscal year 1997 budget approved by the Board in July, and offer managed care alternatives. To achieve budgeted objectives and permit employees to utilize Section 125 tax benefits, these changes need to occur in January.

University officials are currently in negotiations with Blue Cross Blue Shield as the administrator of the indemnity, point-of-service and catastrophic health insurance programs. University officials will also negotiate with Health Alliance for the administration of a health maintenance organization.

The university is switching from an insured status to a self-insured basis for funding health and dental insurance. Due to the self-insured status, the contracts must embody provisions for cost containment, controlling future trends in cost increases, and performance criteria for both the quality of medical care and the administrative efficiency of the program.

University officials intend to enter into three-year contracts with the selected vendors. The contracts will provide for termination for unsatisfactory performance and/or options to renew if vendors performance is satisfactory. University officials also intend to monitor the extent to which the vendors maintain and expand their network of medical providers.

The university has been providing eligible employees with information concerning the flexible benefits program. The enrollment period is planned for November 18 through December 6, 1996.

The amount budgeted by the university for the employer's share of health insurance premiums for fiscal year 1997 will be adequate. The university budgeted a rate increase for the PAT 1000 plan only through January 1, 1997. Plans were to have the employees absorb any rate increase for remainder of the year.

By avoiding a rate increase through implementation of the new health insurance plans and moving into a managed care environment, it is estimated employees will save \$2 million on an annualized basis.

Iowa State University officials were asked to keep the Board Office up to date on the contract negotiations with the vendors and provide a report on employee plan selections following the close of the enrollment period.

Regent Pellett stated that the Priority Issue Study Group on Employee Health Insurance unanimously approved the university's proposal.

MOTION:

Regent Pellett moved to ratify the recommendation of the Employee Health Insurance Priority Issue Study Group to approve Iowa State University's request to complete implementation of a flexible benefits program as described. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Thursday, October 17, 1996.

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

Register of Personnel Changes for September 1996.

ACTION: President Newlin stated the Board approved the university's personnel transactions, as presented, by general consent.

FACULTY PRESENTATIONS BY DR. ROBERT HARDMAN AND DR. DONNA THOMPSON, UNIVERSITY OF NORTHERN IOWA. The Board Office recommended the Board receive the presentations.

The University of Northern Iowa hosted this second session in a planned series of occasional presentations designed to provide the Board with a greater understanding of the major trends that are occurring in teaching, research, and service at the Regent universities.

Dr. Robert R. Hardman, Professor of Education and Director of the Center for Educational Technology, described his outreach program to provide instructional technology training to Iowa school teachers. Prof. Hardman received his Ed.D. from Indiana University and has served on the University of Northern Iowa faculty since 1970.

Regent Dorr asked how ongoing and extensive Dr. Hardman viewed this training process. Dr. Hardman responded that there are three levels of training: 1) conceptual, 2) applying the technology, and 3) integration of strategies and technologies. He said he did not see an end in sight.

Regent Dorr stated that the AEAs were established to provide some remedial instruction assistance but also to instruct teachers on how to use equipment. The AEAs are still in existence. Does that mean that teachers still are not trained in how to use equipment? Isn't the new technology ultimately going to facilitate teachers' self teaching and self learning if the right tools are developed?

Dr. Hardman responded that new technologies are changing so rapidly there is constant need to train people. At this point in time there still needs to be a variety of strategies. What is important about technology is to provide hands-on experience.

Regent Lande questioned whether teachers who are under 40 years of age need extensive training with technology. Regent Smith responded that many teachers were trained in a non-technology age. There are some teachers under 30 years old who may have been trained when the Apple was the computer of choice. Then the Macintosh comes along and teachers receive training on the Macintosh. Then CD-Roms are introduced and teachers get trained on that. Then comes the World Wide Web. She said it just continues to grow. Technology is the one area that is constantly changing in terms of knowledge that teachers have to have in terms of presenting it to their students. She stressed that training is something that is needed and wanted. Teachers are "knocking down the door" for that type of training.

Regent Smith addressed Regent Dorr's comment about the AEAs, stating that the Regents should continue to question the role of the AEAs because it is an issue.

Regent Mahood asked whether teachers receive any credit for the hours they attend. Dr. Hardman responded that there are many incentives for teachers to attend the workshops. They can receive AEA credit and graduate credit.

Dr. Donna J. Thompson, Associate Professor of Physical Education, described her nationally acclaimed program of the University of Northern Iowa Center for Playground Safety. Prof. Thompson earned her Ph.D. from Ohio State University and has been a UNI faculty member since 1975.

Regent Arenson asked whether a calculation had been done of the financial impact of eliminating some of the playground accidents. Dr. Thompson responded that it would be \$1.3 billion per year. She noted that it would be more appropriate to provide a safe playground. Regent Arenson commended Dr. Thompson for her efforts.

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

FCC APPLICATION. The Board Office recommended the Board (1) receive the report on the FCC applications by the University of Northern Iowa and withhold approval pending consultation with the other Regent institutions, (2) authorize the Executive Director to approve the applications after consultation with the other Regent institutions, and (3) instruct the institution that in the future the applications need to be approved by the Board before submitting to the FCC.

University of Northern Iowa officials submitted two applications to the FCC.

First, the University of Northern Iowa submitted an FCC application to use channel 216 (91.1 MHz) to serve the Quad-Cities. The proposal will provide a good signal over all of the Quad Cities; however, since the entire city of Davenport will not be within 1 mV/m signal, the city of license will have to be Bettendorf.

University officials were taking this action because another operator out of Mississippi has applied to use channel 216, which is first-adjacent to the University of Northern Iowa's carrier on channel 215 (90.9 MHz). University officials were concerned that a powerful local station on a first-adjacent channel to KUNI will cause interference to the input of UNI's Quad Cities translator.

The FCC rules require that the KUNI translator receive its signal directly from an off-air pick-up from KUNI. Therefore, when the local station goes on the air, University of Northern Iowa cannot use an alternative method to provide KUNI's signal to the unit.

Second, university officials wish to apply for 89.9 MHz channel which has recently become available. This would provide a back-up transmitter in the Anamosa/Cedar Rapids area. Future changes in the availability of towers to hang FM antennas would necessitate this action according to the University.

Vice President Conner introduced Doug Vernier, Director of KUNI radio station.

Director Vernier stated that the University of Northern Iowa had three radio station applications before the FCC. One was for Bettendorf, one was for Ottumwa and the third was for Anamosa. He said the applications were being submitted primarily because in two of the cases, if the university did not submit an application it would lose coverage in those areas. The applications in those particular cases would be competitive. In the third case, which was the Anamosa proposal, university officials proposed it as a new service to complement the existing service out of the KUNI tower which is atop the KCRG television tower. He noted that it is one of the taller towers in the state. That particular station provides a very wide area of coverage. There is a potential due to the changing technology and the lease coming up for renewal that the university may not be able to continue service from the high tower.

Regent Tyrrell questioned whether University of Northern Iowa officials had consulted with the other two Regent institutions. Director Vernier responded that they had.

President Newlin asked if the other two universities had agreed to the university's three FCC applications. Director Vernier responded that they had not indicated any objections.

Mr. Richey stated that only two of the three FCC license applications were addressed in the Board Office docket memorandum. He said the Board Office would consultation with the other two universities to make sure there is no problem. President Koob did notify Mr. Richey of these actions; however, Mr. Richey reminded institutional officials that the Board's approval is required before an application is presented to the FCC.

Regent Arenson asked if there was a cost for the licenses. Director Vernier responded that there is no cost. All of the application and engineering work was performed in house through the broadcasting services department. There is no cost for the license. The FCC will issue a license to a non-commercial entity without charge. There will be a cost, however, to complete the construction of these stations.

MOTION:

Regent Dorr moved to (1) receive the report on the FCC applications by the University of Northern Iowa and withhold approval pending consultation with the other Regent institutions; (2) authorize the Executive Director to approve the applications after consultation with the other Regent institutions; and (3) instruct the institution that in the future the applications need to be approved by the Board before submitting to the FCC. Regent Arenson seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Newlin noted that the approval was subject to Board Office consultation with the University of Iowa and Iowa State University.

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

PROJECT DESCRIPTIONS AND BUDGETS

University officials reported four 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

<u>Bartlett Hall--Building Envelope</u>	<u>\$9,700</u>
Howard R. Green Company, Cedar Rapids, Iowa	

University officials requested approval to enter into an agreement with Howard R. Green Company to provide design services for the project. The agreement provides for a fee of \$9,700, including reimbursables.

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

<u>Baker Hall Exterior and Electrical Repairs (Electrical Contract)</u>	<u>\$28,359.80</u>
Rampart Corporation, Waterloo, Iowa	

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

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

IOWA SCHOOL FOR THE DEAF

The following business pertaining to Iowa School for the Deaf was transacted on Thursday, October 17, 1996.

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

Register of Personnel Changes for September 1996.

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

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that there were no items on this month's Register of Capital Improvement Business Transactions for the Iowa School for the Deaf.

APPROVAL OF UMBRELLA CONTRACT FOR INTERPRETER/INTEGRATION PROGRAM BETWEEN ISD, LEWIS CENTRAL AND AEA 13. The Board Office recommended the Board approve the contract of ISD with AEA 13 and the Lewis Central Community School District.

Iowa School for the Deaf officials submitted its renewal of an umbrella agreement that covenants Area Education Agency (AEA) 13, Lewis Central, and ISD to provide programming for Iowa School for the Deaf students who wish to attend Lewis Central for classes as determined in their Individual Education Plan.

This agreement sets forth responsibilities of AEA 13, Lewis Central Community School District, and ISD to provide educational services for ISD students who are mainstreamed into Lewis Central.

Provisions of the contract require a minimum of two meetings per year to review the program.

A screening committee consisting of one person from each agency considers the feasibility and the parameters of each student's placement.

Under the agreement, each agency is responsible for particular aspects of the agreement.

This agreement is consistent with federal laws mandating that, to the maximum extent possible, disabled students be educated with their non-disabled peers. The contract has not changed from its predecessor contract.

MOTION: Regent Dorr moved to approve the contract of ISD with AEA 13 and the Lewis Central Community School District. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

APPROVAL OF LEASE BETWEEN ISD AND LUTHERAN FAMILY SERVICES. The Board Office recommended the Board approve the lease.

School officials requested approval to renew a lease as lessor with Lutheran Family Service of Iowa for its use of 850 square feet of space on the Iowa School for the Deaf campus at the rate of \$850 per month (\$12 per square foot, \$10,200 per year) for a one-year period.

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

MOTION CARRIED UNANIMOUSLY.

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

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Thursday, October 17, 1996.

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

Register of Personnel Changes for the period of August 25 to September 21, 1996.

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

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that there were no items on the Register of Capital Improvement Business Transactions for the Iowa Braille and Sight Saving School.

EXECUTIVE SESSION. President Newlin requested the Board enter into closed session pursuant to the Code of Iowa section 21.5(1)(c) to discuss a matter with counsel which is either in litigation or where litigation is imminent, and pursuant to the Code of Iowa section 21.5(1)(i) upon the request of an employee whose performance was being considered.

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

MOTION CARRIED UNANIMOUSLY.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 3:07 p.m. on Thursday, October 17, 1996; recessed therefrom at 4:00 p.m.; reconvened at 4:05 p.m. and adjourned therefrom at 4:40 p.m. on that same date.

ADJOURNMENT.

The meeting of the State Board of Regents adjourned at 4:40 p.m., on Thursday, October 17, 1996.

Robert J. Barak
Deputy Executive Director