

The State Board of Regents met on Tuesday and Wednesday, September 17 and 18, 1996, at the University of Iowa. The following were in attendance:

	<u>September 17</u>	<u>September 18</u>
<u>Members of State Board of Regents</u>		
Mr. Newlin, President	All sessions	All sessions
Mr. Arenson	All sessions	All sessions
Mr. Dorr	All sessions	All sessions
Mrs. Kennedy	All sessions	All sessions
Mr. Lande	All sessions	All sessions
Ms. Mahood	All sessions	All sessions
Mrs. Pellett	All sessions	All sessions
Mrs. Smith	All sessions	All sessions
Dr. Tyrrell	All sessions	All sessions
<u>Office of the State Board of Regents</u>		
Executive Director Richey	All sessions	All sessions
Deputy Executive Director Barak	All sessions	All sessions
Director Houseworth	All sessions	All sessions
Associate Director Elliott	All sessions	All sessions
Associate Director Racki	All sessions	All sessions
Associate Director Sutton	All sessions	All sessions
Associate Director Williams	Excused	All sessions
Assistant Director Tiegs	Excused	All sessions
Assistant Director Valley	All sessions	All sessions
Minutes Secretary Briggie	All sessions	All sessions
<u>State University of Iowa</u>		
President Coleman	All sessions	All sessions
Provost Whitmore	All sessions	All sessions
Vice President Rhodes	Excused	All sessions
Vice President Skorton	Excused	All sessions
Vice President True	Excused	All sessions
Associate Vice President Small	Excused	All sessions
Director Howell	Excused	All sessions
General Counsel Schantz	Excused	All sessions
Legislative Counsel Stork	Excused	All sessions
<u>Iowa State University</u>		
President Jischke	All sessions	All sessions
Provost Kozak	All sessions	All sessions
Vice President Bradley	All sessions	All sessions
Vice President Madden	All sessions	All sessions
Vice President Theilen	Excused	All sessions
Assistant to the President Mukerjea	Excused	All sessions
Executive Assistant to President Dobbs	Excused	All sessions
Interim Director Anderson	Excused	All sessions
<u>University of Northern Iowa</u>		
President Koob	All sessions	All sessions
Provost Marlin	All sessions	All sessions
Vice President Conner	Excused	All sessions
Vice President Follon	Excused	All sessions
Executive Assistant to President Gadelmann	All sessions	All sessions
Director Chilcott	All sessions	All sessions
<u>Iowa School for the Deaf</u>		
Superintendent Johnson	All sessions	All sessions
Director Heuer	All sessions	All sessions
Interpreter Reese	Excused	All sessions
Interpreter Peek	Excused	All sessions
<u>Iowa Braille and Sight Saving School</u>		
Superintendent Thurman	All sessions	All sessions

GENERAL
September 17-18, 1996

Director Utsinger
Director Woodward

Excused
All sessions

All sessions
All sessions

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Tuesday and Wednesday, September 17 and 18, 1996.

President Newlin welcomed James Arenson to his first meeting as a member of the Board of Regents. Regent Arenson thanked institutional officials and Mr. Richey for the orientations he had been provided.

President Newlin asked President Coleman to introduce newly-appointed University of Iowa Provost Jon Whitmore, which she did. President Newlin welcomed Provost Whitmore to his first Board of Regents meeting.

Deputy Executive Director Barak introduced the newest members of the Board Office staff: Richard Sutton, Associate Director, Academic Affairs; Camille Valley, Assistant Director, Business and Finance; Pamela Elliott, Associate Director, Business and Finance. President Newlin welcomed them to their first Regents meeting.

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

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

MOTION: Regent Kennedy moved to approve the minutes of the July 18, 1996, meeting, as written. Regent Lande seconded the motion. MOTION CARRIED UNANIMOUSLY.

STRATEGIC PLANNING FOR DISTANCE EDUCATION. The Board Office recommended the Board receive presentations on the subject of distance education from two individuals with extensive knowledge about telecommunications and distance education. They are:

Dr. George P. Connick, President of the Education Network of Maine, University of Maine System

Dr. Douglas E. Van Houweling, Vice Provost for Information and Technology and Dean of Academic Outreach, University of Michigan

The Board Office presented background information to the Board on the topic.

At its July 1996 meeting the Board approved an interim policy on new program locations with the understanding that a more comprehensive strategic planning effort for distance education would begin in September. The Board has indicated its concerns about the policy implications of distance education, particularly as the changing environment creates situations and challenges that may not be well covered by existing Board or state policies.

At Regent request, this initial session was designed as an informational meeting to present national and institutional perspectives on emerging distance learning technologies and their related policy questions. This discussion is envisioned as the first in a series of three or four sessions to develop a strategic, future-oriented approach to distance education and to adopt any appropriate policies to support that effort.

At its October meeting the Board will receive a proposed plan on distance education drafted by the State Extension and Continuing Education Council and the Interinstitutional Committee on Educational Cooperation. After the September and October meetings, it was anticipated that the work remaining to complete a strategic plan on distance education can be accomplished in time for Board action by its December meeting.

A representative from each Regent university was asked to comment briefly on the issues raised in the presentations. These respondents were:

Dr. Von Pittman, Associate Dean and Director of the Center for Credit Programs, Division of Continuing Education, University of Iowa

Dr. Marcia Bankirer, Director of Extended and Continuing Education, Iowa State University

Dr. Robert Koob, President, University of Northern Iowa

Deputy Executive Director Barak introduced Dr. George P. Connick and Dr. Douglas E. Van Houweling.

Dr. Connick discussed how the state of Maine began providing distance education and described a plan to address access to post-secondary education. He presented a videotape of the distance education opportunities provided by the University of Maine system. He said that 15 percent of all students are off campus and those numbers are growing. He described planning that is currently taking place in Maine to address how to provide education at any time, any where, to any one and with whatever they need including student services. He foresees a dramatic shift in the delivery of education.

Dr. Van Houweling stated that technology expands options and generates questions, not answers. He said educational providers need to be more thoughtful about the people they serve. Student populations are shifting to older cohorts. There will continue to be a substantial demand for residential education although there will be a growth in demand for off-campus education. He said a fundamental issue was whether educational institutions want to take on this new service role. There is still a tendency to think about the classroom as a requirement for learning. States have typically invested in technology to improve access. There are diverse demands by students; not everyone learns in the same way.

President Koob asked that the Regents notice what the two presenters did not say. They did not spend a lot of time talking about the technology. Both emphasized the organizational and "people" problems associated with a changing paradigm. He said he would address how those issues present themselves to the Board and how they fit themselves into Iowa. They were not talking about whether technology works. It works. The question is what technology means for Iowans.

With regard to the access question, President Koob said the Board needed to decide if this enormous resource which is the Regents system should be made available to all citizens of Iowa or just to those who can make it to the campuses. He said it was not an easy decision. There are political pressures to keep the campuses confined within their physical boundaries because the competition wishes to serve those citizens who are not currently served by the Regent system. He said the Regents have to decide whether or not the Regent resources should be in the hands of all of the people of Iowa, and he thought there were good reasons for doing so. First, the Regent institutions are the only group of campuses that can deliver the level of programming that is found in Iowa. Second, the economic future of the entire state depends on it. He said the state of Iowa ranks 40th in the nation in the number of citizens that hold baccalaureate degrees. Economic analyses about the future of this nation indicate that those who will

achieve economic progress in excess of the average are those that have a baccalaureate degree and beyond. Only 17 percent of Iowa citizens are at the baccalaureate level. There is not possibly enough people in the pipeline to change that proportion very much. Dr. Koob truly believes that education is the fundamental linchpin for economic success. If the Regent institutions do not aggressively pursue advancing the level of education of the people of Iowa, the economic future of the state will be adversely impacted.

President Koob said the second issue was of productivity. He said the presenters gave conflicting presentations about cost of off-campus education. He cautioned that they have to capitalize a new effort. The question is who pays. At the present time, the institutions subsidize students who come to the campuses at level of approximately 65 to 70 percent of their undergraduate education. However, individuals who cannot make it to campus are expected to pay the full cost. Is that fair and proper public policy? Is it in the state's economic interest to ensure that more of its students of whatever age have access to education? Should there be some support from the state in its own interest to advance the economic growth of the state?

The third issue which President Koob identified was quality. He said his experience is that quality has been the bugaboo in virtually of all these conversations. The discussions by the presenters indicated that the on-campus experience improved considerably because of the availability of the same information opportunities to students not on the campus. If they were to discuss quality with critics in an accountable way, they have to define quality by some of its aspects. He suggested that quality be defined from a learner-centered point of view and that there be an identification of the aspects of a quality educational experience.

Dr. Bankirer addressed competition and collaboration, and finding balance. Approximately ten years ago while employed elsewhere she was involved in the start of the National Technological University which offers master's degrees in engineering. At that time the question that kept coming up was whether participation would take students away. It did not take students away but rather broadened the audience. She said that type of collaboration is seen in Iowa. The three Regent universities work closely together in providing off-campus instruction. They work in partnership with the State Extension and Continuing Education Council.

Dr. Bankirer then addressed the question posed by Dr. Koob as to how off-campus education will be paid for. She said the off-campus student is indeed the market that drives what courses are delivered off campus. The Regent universities do not intentionally duplicate offerings. If policies and procedures were to be created, and collaboration legislated, she doubted that collaboration would happen. Although

regulations may be designed to keep out the competition, it would restrict the universities' ability to respond rapidly.

With regard to the quality issue, Dr. Bankirer said it ties back to the faculty. The universities do not take off campus any programs that have not been authorized to be provided on campus. They do not take off campus anything they do not have strength in. A determination needs to be made about how to use the infrastructure in place so that the Regent universities are the best choice, not the outside competitors. To do that, she said the institutions have to provide support to both faculty and students as well as the kind of services that the off campus students need. Institutional officials are redefining how they deliver instruction. They are indeed finding on-campus instruction improved by the use of technology. Many faculty have developed courses for use on the World Wide Web. Interaction with students is not in the delivery of the lecture, which is provided to students by audio or in print to accommodate students' learning styles. Their time together on campus is devoted to in-depth interaction and synthesis of the information. University officials have found that for those faculty who have hosted educational programs on the Web, individuals from around the world ask how they might enroll in the course. Iowa State University now has a genetics course with enrollees from Guam, Australia, Hong Kong, and Canada participating with students on campus.

Dr. Bankirer concluded by stating that the Regent institutions are cooperating and collaborating where necessary in order to compete.

Dr. Pittman provided the Regents with examples of what is happening in Iowa now based on the themes of access, quality and productivity. He stated that distance education is important not just for crossing distances. The University of Iowa has a higher education program with three students in Sioux City, one student in Council Bluffs, and 10 students in Spencer. He said access is improved because the university can serve not just large groups of people but small groups of people, as well. One-time problems can also be addressed. He said a good example was the University of Iowa's Pharm D. program. Practicing pharmacists in Iowa have expressed an interest in obtaining the Pharm D. degree, which is becoming the standard degree in pharmacy. The University of Iowa is offering a one cohort program beginning this semester based on the Internet, videotape and some live television. The program will be run once and will address the problem for practicing pharmacists. There will be no permanent commitment of university resources.

In terms of quality, Dr. Pittman stated that distance education has led to some improvement in quality on campus. The University of Iowa, for instance, pioneered bringing guest speakers by telephone into very small classrooms at almost no cost. University officials are now making data bases available on the World Wide Web in off-

campus classes just as they are on campus. Some off-campus classes are being required to have Web access. The University of Iowa is making the first use of the National Center for Vocational Education's up-to-date data base which is being offered at seven sites around Iowa. All students are doing their research out of a Washington data base which is serving to increase quality.

Dr. Pittman stated that the question that always comes up about the traditional extension course is library services. With the use of the Internet and particularly the Web, university officials are beginning to crack that problem. The on-campus population will also benefit from being able to access information from anywhere.

With regard to productivity, Dr. Pittman said the universities are serving people who are putting their graduate and undergraduate educations to work in Iowa. The ten people who live in Spencer and Estherville work at the community college and will probably continue to work at the community college after completion of their degree programs. The Iowa nurses completing their graduate and undergraduate nursing degrees at sites statewide will most likely work in Iowa hospitals. Iowa teachers getting their master's degrees through distance educators may become principals in Iowa schools. He said that of all the positive aspects to distance education, the most exciting to him was that it does not contribute to the brain drain.

Regent Kennedy asked for clarification of the impact of distance education to total enrollment in Maine and to on-campus enrollment in the last 7 years. Dr. Connick stated that enrollments across the Northeast have generally been flat or declined a bit. Enrollments in Maine have declined a bit. He said distance education access has prevented precipitous drops in student enrollment. Distance education is seen by the campuses as an important feeder mechanism.

Regent Kennedy asked if off-campus students were taken out of the enrollment figure, is the trend for Maine the same as for the Northeast in general? Dr. Connick responded affirmatively. He said many of the off-campus students would not be in college if it weren't for distance education opportunities. The average age of off-campus students is 36. There has been an enormous mismatch between where people are located and the educational programs they need.

Regent Arenson asked whether outcomes assessment had been done of the off-campus students in Maine. Dr. Connick responded affirmatively, noting that each semester the distance education students do as well or better than on-campus students. He noted that that kind of research is borne out across the country. Distance students are very high achievers and tend not to drop out.

Regent Dorr said it appeared to him that there were two basic issues in distance learning. First, who controls and manages the medium and second, who creates the course content and how does that evolve. If those are the two fundamental issues, is not access synonymous with how you get on the medium before somebody else does? If so, then with regard to the capitalization issue, why should they assume that the capitalization cost should be any greater a percentage than it ever has been?

Dr. Connick referred to Regent Dorr's comment about controlling the medium, and asked what he meant by the medium. Regent Dorr said he meant any of the delivery mechanisms -- fiber, wireless, Iowa's fiber optics system. He said that in Iowa the community colleges, the universities, the area education agencies, K-12 districts, and private colleges are all trying to decide who is going to be able to deliver whatever they want to deliver.

Dr. Van Houweling stated that in Michigan higher education has no control over the medium. The medium is provided by private industry. Access to the medium is mediated through organizations that are not influenced to any substantial extent by higher education. Therefore, the issue of control of the medium may be a local issue.

Dr. Connick pointed out that in an environment where the medium is not supplied through a public entity, most of the educational institutions understand that they have to compete for access to the medium based on their content.

Dr. Van Houweling stated that a Michigan trustee says there are only two major public policy issues. One is whose hand is on the steering wheel and the second is who pays. He said the organizational issue is a fundamental one. At this point in time, for a variety of reasons, technology may be scarce. It is not an abundant resource in terms of access simply because of cost, organizational issues, and competitive issues. However, it is going to be enormously abundant in the future.

Dr. Connick said he believes that higher education in the future will want to be able to access the technology but not own it. Maine higher educational officials have never envisioned themselves as being in the telecommunications business. They lease much of the technology and look for more and more competitors to help drive the cost down.

Regent Dorr asked if the presenters would suggest that in Iowa, with the fiber optics system, if higher education is forced to develop programming in that context, that the institutions will actually be restricted in their ability to ultimately deliver first-rate distance learning programs.

Dr. Connick said Regent Dorr raised the fundamental question that institutions must address, and that is content. Who is going to provide the content that is going to go

over these “pipes”? The institutions that have the intellectual capital must step up to the plate, because that is what they have invested in. Higher education campuses certainly have physical facilities and infrastructure but the great strength of the institutions is the intellectual capital. The intellectual capital has to be developed and distributed. He said too much time is spent talking about technology and not enough about how to distribute the intellect.

Dr. Van Houweling stated that Iowa has a major advantage because of the existence of the fiber optic network which should make it less necessary to worry about issues of the medium. He cautioned that they should not count on the system as a long-term sustaining distinction between Iowa’s environment and others because the technology will surely change over the coming decade. He suggested they concentrate on the content which is where the long term gain is.

Regent Dorr said he did not disagree with that statement. His sense has always been that the impediment to the Regents’ ability to involve their institutions in distance learning has been getting into the “pipe”. He said he had never been under the impression that the institutions were not able to deliver the content but rather how they were going to involve themselves in the medium.

Regent Lande asked to what extent does Maine have a system of area community colleges similar to Iowa’s and whether those institutions play a role in distance education. With regard to Michigan, he asked how the “Regent” universities relate to area community college institutions.

Dr. Connick stated that Maine has seven technical colleges similar to community colleges and a maritime academy. There are 15 public institutions in Maine, most of which are small.

Dr. Van Houweling said Michigan has 17 public universities extending from institutions such as Michigan State and the University of Michigan to institutions like Saginaw Valley State University, sometimes called regional universities. There are 21 community colleges in the state. In Michigan there is no overall governance for these systems. There is no Board of Regents that governs more than one institution. All of the institutions participate in an informal working group to address the issue of collaboration. Michigan State and the University of Michigan have together taken on the leadership role in sponsoring that collaboration which produced an environment that is conducive to broad participation.

Dr. Connick said he attended several planning meetings of the western governors university which was created in June. The governors felt there was great potential to reach new student populations cost effectively but that the institutions alone could not

do it. Therefore, from a level of public policy, they simply did it themselves and in an unheard of amount of time, less than two years from start to finish. He said there was a perception on the part of the governors that there was a need for new types of organizational structures to address educational needs in the future. They made the public policy decision to create a brand new organization to develop that agenda.

Regent Arenson referred to earlier statements by the presenters that distance learning opportunities did not reduce enrollments in the four-year institutions. Does that hold true at the community college level? Dr. Connick stated that in Maine the technical colleges are part of the university campus province. Dr. Van Houweling stated that in Michigan the community colleges see distance education as a way to provide new options for their students, and they believe their enrollments will increase. The community colleges are collaborating with the universities.

President Newlin expressed the Board's appreciation for the presentations, noting that they would continue discussion of this topic at their meeting next month.

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

The Regents proceeded to tour the new Information Commons at the Hardin Medical Library. The facility features a multimedia classroom and advanced information technology. It is a collaborative project supported by the Hardin Library and the University of Iowa College of Medicine, with additional funding provided by the Roy J. Carver Charitable Trust and the Student Computing Fee Advisory Committee.

**INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION:
TERMINATION OF CENTER FOR PROFESSIONAL AND EXECUTIVE
DEVELOPMENT AT IOWA STATE UNIVERSITY.** The Board Office recommended the Board approve the request for Iowa State University to terminate the Center for Professional and Executive Development.

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

The primary reasons for this request were:

- The College of Business has another outreach vehicle, the Small Business Development Center (SBDC), which can assume many of the responsibilities of the CPED.

- The Office of Graduate Programs in the College of Business, building on its success with the Saturday MBA program, can and would implement more outreach and professional and executive programs.

University officials indicated that the outreach services now provided by the CPED can more effectively and efficiently be provided by the SBDC and the Office of Graduate programs in the College of Business. University officials indicate that this greater integration of outreach, teaching and research will enhance the quality and relevance of the activities in this area.

This action provides an opportunity for the college to reallocate resources presently used for the CPED for programs targeted in the strategic plan for the university.

MOTION: Regent Pellett moved to approve the request for Iowa State University to terminate the Center for Professional and Executive Development. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

REPORT ON MEETINGS OF EDUCATIONAL TELECOMMUNICATIONS COUNCIL.

The Board Office recommended the Board receive the report on the Educational Telecommunications Council (ETC) meetings held April 18, May 15, June 11 and July 25, 1996.

Iowa Telecommunications & Technology Commission (ITTC) Membership. The commission has expanded to five members. The addition of two members will allow the commission to have committees and members to meet one-on-one as warranted. Mary Jean Montgomery and Dick Opie are the contacts for the ETC members.

Draft of Administrative Rules for Educational Use. The ITTC has been operating without any administrative rules. Chapters 1-6 of the Administrative Rules for the ITTC were submitted for hearings.

Definition of Educational Use for Interactive Video. The following definition was approved:

"Educational use of the Iowa Communications Network (ICN) is defined as any activity supporting the mission of an authorized educational user as stated in Iowa Code and/or organization charter for the authorized educational user. These activities include the provision of K-12 and higher education course offerings, continuing education courses and activities, staff development and support, administrative support, and similar activities supporting the mission and charter of the authorized educational user."

Star Schools Grant. Iowa Public Television (IPTV) submitted another application to the Federal government regarding funding beginning October 1, 1996, through September 30, 1997. The school districts will be funded as they were in FY96-97.

Help Desk. Money left from the current Star Schools grant was used to set up an Internet help desk for K-12 educators to call in the evenings and weekends. The pilot project will end September 30. Information will be gathered on the amount of calls, what kind of information educators are seeking and when they call.

Dial-up Internet Access. Two telecommunications providers (MCI, US West) made proposals to the ITTC to collaboratively work with the ICN to provide dial-up access to the authorized users' homes. Both companies proposed offering a help desk. The commission did not enter into any agreements. The ETC supports equitable statewide Internet service accessible to learners wherever they are. Further, in order to achieve this, the members support efforts to aggregate services when the benefits are evident to users.

Scheduling Software. The testing of the Computer Information Systems Company (CISCO) scheduling software began in August.

Flexible Room Use. After in-depth discussion, it was decided the "no transmit" issue will be studied for 3-4 months. The term "no transmit" is used in place of an actual ICN reservation which could result when the room is used for training, maintenance or meetings. The current and proposed administrative rules clearly indicate that ICN classrooms must be available for network use during all of the specified hours. While the Operations Committee studies this issue, the "no transmit" term will still be used.

Regional Telecommunications Councils (RTC) Funding. A FY98 budget was being prepared that includes RTC funding. Last year \$1.8 million was requested for RTC funding. It was formula driven--a base amount was requested as well as an additional amount per new site. The final budget was approved at \$1.5 million--\$80,000 per region and \$934.68 per site.

RTC Guidelines. At the joint meeting of the RTC/ETC/Schedulers/Technical Information Exchange Committee (TIE) in May, the ETC established guidelines for the RTC. The guidelines were established with much assistance and feedback from the RTCs and are intended to serve as minimum expectations. Each RTC is encouraged to provide more specific guidelines to meet the needs of the region.

Policy Issues Initiative. It was suggested the ETC undertake a fairly aggressive inquiry to bring closure to some unresolved issues. A four-part process was suggested and will be presented at the September meeting.

ICN Research. The Vision Committee has found that ETC needs to have some sense of future use of educational telecommunications to begin predicting how the ICN will operate in the future in terms of needs for education. It was proposed that ETC conduct a Delphi Study to be used to predict future needs and future uses of the ICN.

Interface between ETC and ITTC. The following recommendations were made:

- Regular communication with the ITTC is needed. At least one commissioner should sit in at each ETC meeting to alleviate any surprise issues being brought to the commission.
- There should be a regularly defined ETC reporting slot included in the ITTC agenda.
- As advisory councils begin working, a committee of committees should be formed that would allow interaction between the advisory councils to discuss issues that affect each group.
- The ITTC should meet quarterly with the ETC Executive Committee to make future plans.

Regent Dorr referred to the dial-up Internet access to authorized user homes and asked what was meant by authorized user home and whether this was something that could become available on a statewide basis. Director Barak responded that the authorized users are certain entities specifically noted in statute including the local schools, area education agencies, public and private colleges, the National Guard, libraries, and some federal agencies and hospitals. The proposal was a way of providing the opportunity for some broadcasting directly to homes of students.

Regent Dorr asked what percent of the ICN capacity was currently being used. Director Barak responded that the Educational Telecommunications Council was supposed to receive such a report at its October meeting. Approximately 200 new sites were added this past summer.

Regent Dorr asked for the most recent number. Director Barak responded that in the last report that he had seen, several years ago it was about 40 percent of the capacity on a 24-hour basis.

Regent Dorr asked if the capacity was almost infinite. Director Barak responded that in theory that was true but that there are in actuality some limitations.

Regent Dorr referred to the Regional Telecommunications Councils' (RTCs) funding request and asked whether the funding was recommended to the Iowa Telecommunications & Technology Commission. Director Barak responded that the legislature provided funds specifically for the scheduling function. The Educational Telecommunications Council has required each of the regional centers to provide a plan on how they will spend the money before any funds were released. Each RTC submits a plan and the money is doled out on the basis of those plans.

Regent Dorr asked whether the Regional Telecommunications Councils areas are reconfigured area education agencies. Director Barak said they essentially serve the same areas.

Regent Dorr recommended the Board oppose the regional telecommunication council funding because there already funds being appropriated. He assumed that by now the area education agencies should have all their personnel trained. Why do they need the funding?

Director Barak responded that the funding is for two purposes. First is for the scheduler function in each of the regions. The second is for start-up expenses of all these new sites; provisions for equipment, etc., for the sites to come on line. He said the legislature intended that the money be distributed for those purposes. The question for the Educational Telecommunications Council is accountability which is why it requires the plans to ensure distribution of the funds in an organized manner.

Regent Dorr asked if there was a computerized master scheduler. Director Barak responded that there was an organization trying to develop such a system of scheduling but this is not yet on-line.

Regent Dorr questioned the need then for the 15 localized scheduling directors which were established by law. Director Barak responded that those directors are also involved in resolving problems of duplication within the districts. Most of the local directors are not full-time but rather perform the duties on a part-time basis.

Regent Dorr said there appeared to be fairly expansive bureaucracy evolving in all of this. What about the ability of the Regent institutions to distribute their educational content? He was concerned about duplication. He hoped they would spend some time digging into this in the next couple of months to determine whether these efforts were enabling the Regent institutions to deliver the kind of content they desired.

Director Barak said it was his understanding that the system had been working fairly well this fall although there are some continuing problems that will be addressed in the Extension Council report in October. The Regent institutions have been able to schedule programming much better than in the past. He noted that funding of the regional centers was very popular in the legislature.

Regent Pellett asked whether it would be appropriate to ask Dr. Barak to draw up a paper for the Regents' use in understanding the intent of the law, the appointments of members on the commissions and councils, whether the system is actually working the way it was intended, etc.

Mr. Richey responded that the Board Office would provide the Regents with a major report at its November meeting to allow time to assess this fall's experience.

Regent Dorr stated that he would be particularly interested in having the report address whether there is a demand for Regent programming that cannot be provided because of scheduling difficulties.

Regent Kennedy referred to Dr. Barak's earlier comments that the Iowa Communications Network was being utilized at about 40 percent of capacity. She asked if that was based on a 24-hour period. If so, if it was isolated into prime times when it is feasible and logical for people to use the network, it would be a much higher rate.

Director Barak said that as he recalled it, that was correct.

Regent Lande asked what was considered to be the prime time. Director Barak responded that prime time for local programming was during the daytime, and for higher education it was evenings and weekends.

Regent Smith asked for the percent of usage between Regent institutions and the state at large. Director Barak responded that the Regents were not the largest user. He said the Board Office could provide those figures for the Board in November.

ACTION: President Newlin stated the Board received the report on the Educational Telecommunications Council (ETC) meetings held April 18, May 15, June 11 and July 25, 1996, by general consent.

ACCREDITATION REPORTS.

In addition to the comprehensive accreditations of an entire university (conducted for the Regent institutions by the North Central Association of Colleges and Schools), many professional degree programs can obtain a specialized accreditation through their respective professional associations.

Accreditation standards vary by discipline, but all attempt to establish minimum thresholds of compliance with training criteria as determined by that field of practitioners and educators in that discipline.

Once a program has obtained initial accreditation, it must then usually file periodic reports with the accrediting agency. The agency monitors these submissions to ensure that the accredited program maintains acceptable standards. Approximately one year before the expiration date of the program's accreditation, the program must begin the process of applying for reaccreditation, beginning with a new self-study and following the same process outlined above.

Specialized accreditation may be an important factor for students intending to work in some professional areas. Graduation from a non-accredited program may seriously jeopardize a student's employment prospects in certain fields (e.g., medicine, law, pharmacy, etc.). In other fields, however, the distinction of graduating from an accredited program may not carry as much consequence.

The Board requires reporting of specialized accreditations as one part of its total effort to ensure that the academic programs offered by the Regent institutions are of the highest quality. Accreditation demonstrates compliance with basic standards established in a professional field.

The accreditation process can often be expensive and time-consuming.

Specialized accreditations focus on individual degree programs and may not take into account broader institutional issues, priorities, and constraints. Requirements imposed

by an accrediting agency may therefore not always be in the best interests of the entire university.

Regent Tyrrell referred to North Central Association accreditation of an institution, and asked whether such accreditation covered every program in an institution. Director Barak responded that in a broad sense it did but it did not mean that the association had looked at every program. North Central Association accreditation legitimizes an institution as a whole.

Regent Arenson referred to the statement that the accreditation process can be expensive and time consuming, and asked whether there were times when university officials would choose not to go through an accreditation process. Director Barak responded affirmatively, noting that recently the Regent institutions have dropped certain accreditations which related to schools of education. He said those accreditations had become overly burdensome and costly, and university officials felt that the same benefits could be achieved through other means.

Regent Pellett asked what affect lack of accreditation would have on students who graduate from the programs. Director Barak said that in the case he just mentioned, there would be no impact on students who graduate. There are some fields in which accreditation is more important.

Regent Pellett asked whether there was a national trend for universities to not seek accreditation. Director Barak said there was not necessarily a trend. Many institutions are questioning the whole area of accreditation. In some cases, especially the specialized accreditations, the accreditations become somewhat self serving.

(a) MSW Program in Social Work - University of Iowa. The Board Office recommended the Board receive the report.

The Commission on Accreditation of the Council on Social Work Education (CWSE) awarded full reaccreditation of the combined baccalaureate and master's degree programs in social work at the University of Iowa through October 2002. The Board received the report of that action at its February 1995 meeting.

Although it granted full accreditation to the combined program, the commission requested that the university respond to the commission's concern that students must acquire a liberal arts perspective before entering the MSW program. The Board also requested a report on this issue.

Issue:

CWSE's evaluative standard 8.0 requires that a graduate program should have defined procedures for ensuring that students have acquired a liberal arts perspective before entering the program. The commission found that the liberal arts prerequisites for entrance to the MSW program were not explicitly stated in the university catalog.

Response:

The university's School of Social Work faculty revised its admissions policy, effective Fall 1995, to include a more clearly worded statement that articulates the need for a liberal arts perspective in the social work program and offers examples of subject areas that can provide such perspective. The revised policy also notes that applicants with deficiencies in the liberal arts may be required to take additional courses as a condition of admission to the MSW program.

These changes were added to the 1996-98 university catalog.

The commission found the program's response satisfactory and, in its letter of acceptance, commended the faculty for its efforts.

Regent Tyrrell asked how a liberal arts perspective was defined. Provost Whitmore responded that it would be a set of courses in a broad range of liberal arts fields within the university.

Regent Lande asked 1) whether anyone who graduated from a Regent institution in something other than liberal arts would automatically not be qualified to enter the MSW program and 2) whether someone can get a liberal arts degree from other than a Regent institution and fall short of this perspective.

Provost Whitmore said the intent was that students develop critical thinking capability in terms of awareness of social issues. Liberal arts is one of the ways that can be produced.

Associate Provost Folkins responded that university officials have developed a way of implementing the accrediting agency's recommendation which actually looks at the coursework an individual has had, regardless of where they are from. For students considering the MSW program, a determination is made up front as to whether the content that would be assumed to be part of a liberal arts education had been satisfied. Students will know what they will be held to when they come into the program.

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

(b) M.A. Program in Speech-Language Pathology and Audiology - University of Iowa.
The Board Office recommended the Board receive the report.

The Council on Academic Accreditation of the American Speech-Language-Hearing Association (ASHA) awarded full reaccreditation to the master's degree program in Speech-Language Pathology and Audiology at the University of Iowa for an eight-year period extending to October 2003.

The program has a strong and well-established reputation for excellence and innovation. It trains students for clinical practice in both school and hospital settings. It has been accredited since 1963.

Program faculty generate significant extramural funding. The National Institutes of Health recently awarded funds to support the National Center for Voice and Speech at the University of Iowa.

Although housed in the College of Liberal Arts, the program maintains strong collaborative relationships--including shared curricula and joint faculty and staff appointments--with the Colleges of Medicine and Education, as well as with departments and schools within liberal arts. A university Council on Speech Pathology and Audiology provides a forum for coordination between the program and the university's service clinics.

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

(c) M.A. Program in Library and Information Science - University of Iowa. The Board Office recommended the Board receive the report.

The Committee on Accreditation of the American Library Association (ALA) awarded full accreditation to the master of arts program in library and information science at the University of Iowa for seven years. The program was initially accredited in 1971 and reaccredited in 1974, 1980, and 1987. The current reaccreditation extends to the year 2002.

The program is in substantial compliance with all six ALA criteria for accreditation.

The program serves the state well. A large percentage of school and public librarians in Iowa are program graduates.

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

(d) Graduate Programs in the Division of Counselor Education - University of Iowa. The Board Office recommended the Board (1) receive the report and (2) request a follow-up report upon the University of Iowa's submission of its required interim report addressing the conditions it must satisfy for full accreditation.

The Council for Accreditation of Counseling and Related Educational Programs awarded reaccreditation for a two-year period *with conditions* (valid through June 1998) to the following programs at the University of Iowa:

- M.A. program in School Counseling
- M.A. program in Student Development in Post-Secondary Education
- Ph.D. program in Counselor Education.

Of the eighteen conditions applicable to all three programs, half of these reflect standards that the site visit team determined were not met. The other half reflect standards that require further documentation in order to determine their compliance.

The council identified an additional condition for each of the programs (two for the doctoral program) that primarily reflect the need for further documentation.

The university must file an interim report no later than January 15, 1998, addressing these conditions for continued accreditation. The council believes that the programs can satisfy all conditions within this allotted time period. If the conditions are met, the council can extend the program's accreditation for up to five additional years.

The Board Office encouraged the university to weigh carefully the benefits of professional accreditation against the personnel investments and other costs of obtaining this distinction.

ACTION: President Newlin stated the Board (1) received the report and (2) requested a follow-up report upon the University of Iowa's submission of its required interim report addressing the conditions it must satisfy for full accreditation.

(e) Ph.D. Program in School Psychology - University of Iowa. The Board Office recommended the Board receive the report.

The Committee on Accreditation of the American Psychological Association (APA) awarded full reaccreditation to the doctoral training program in school psychology at the University of Iowa for five years. The program was initially accredited in 1992, and the current site visit report commended the program for the significant improvements that were made since the previous site visit.

The program is in compliance with all seven APA criteria for accreditation and in substantial compliance with five of those. The site visit report noted that the program's satisfaction of the criterion for quality and diversity of students could serve as a national model.

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

(f) Ph.D. Program in Clinical Psychology - University of Iowa. The Board Office recommended the Board receive the report.

The Committee on Accreditation of the American Psychological Association (APA) awarded full reaccreditation to the doctoral program in clinical psychology at the University of Iowa for the maximum period of seven years. The accreditation is valid until 2003.

The APA praised the program for the outstanding research achievements of its faculty, the excellent quality of its students, and its model training facilities.

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

President Newlin congratulated University of Iowa officials for all of the accreditations.

Regent Dorr stated that some of these programs are world class for which university officials deserved to be recognized.

PROGRESS REPORT ON ORGANIZATIONAL AUDITS. The Board Office recommended the Board receive the report on the organizational audit.

Since the last Board meeting there have been a number of activities taking place on the organizational audit.

The retreat planned by the Board has been scheduled for January 15-16 at the Holiday Inn in West Des Moines. This date was set due to the unavailability of Board members at earlier dates. The date of the final report from MGT has been rescheduled for

February 7 due to the revised date of the retreat. MGT needs sufficient time to complete its assignment.

The institutional follow up on the other Pappas recommendations is underway as delegated by the Board in March and April.

MGT of America has completed the following tasks:

- Revised the work plan to include the retreat and make other improvements.
- Confirmed Dr. William Anthony's availability for the retreat.
- Identified the institutional and governmental officials to be interviewed.
- Scheduled interviews with Board members, institutional and governmental officials for the weeks of September 9 and 16.
- Obtained and reviewed an extensive amount of background material.
- Scheduled on-site interviews with Board Office staff and university and governmental staff regarding reporting requirements.

President Newlin stated that the Organizational Audit Oversight Committee had met the previous day. Activities are proceeding on schedule.

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

ANNUAL STUDENT AID REPORT. The Board Office recommended the Board (1) receive the report, (2) request that student financial aid directors continue to monitor the federal budgeting process as it relates to student aid and report implications for Iowa families, and (3) commend the universities for their commitments and their efforts to increase student financial aid from institutional and private sources.

The universities distributed over \$383 million in student financial aid during the 1995-96 school year, a 42 percent increase over the amount of aid awarded during 1991-92.

Total Financial Aid Awarded: 1991-92, 1994-95, and 1995-96

1991-92	1994-95	1995-96	% Change	% Change
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				(1 year)	(5 year)
SUI	\$122,326,153	\$150,513,282	\$172,546,012	15%	41%
ISU	\$113,405,152	\$144,536,442	\$154,000,182	7%	36%
UNI	\$ 34,421,286	\$ 48,950,072	\$ 56,738,333	16%	65%
Regent-wide	\$270,152,591	\$343,463,796	\$383,284,527	12%	42%

Federal programs continue to be the primary source of student aid (57 percent). Institutional financial aid programs provide the second most used source (41 percent).

Student Aid Funds by Source: 1995-96

	Federal Programs	Institutional Programs	State Programs
SUI	\$87,374,321 (50.6%)	\$82,773,960 (48.0%)	\$2,397,731 (1.4%)
ISU	\$91,671,227 (59.5%)	\$60,196,353 (39.1%)	\$2,132,602 (1.4%)
UNI	\$40,296,135 (71.0%)	\$15,211,529 (26.8%)	\$1,230,669 (2.2%)
Regent-wide	\$219,341,683 (57.2%)	\$158,181,842 (41.3%)	\$5,761,002 (1.5%)

The dollar amount of aid awarded as grants and employment awards has increased modestly while the dollar amount of financial aid awarded through loans has nearly doubled since 1991-92.

Total Financial by Form: 1995-96

	Grants	Loans	Employment
SUI	\$37,506,987 (22%)	\$74,890,545 (43%)	\$60,148,480 (35%)
ISU	\$38,218,355 (25%)	\$72,775,675 (47%)	\$43,006,152 (28%)
UNI	\$12,398,189 (22%)	\$34,677,886 (61%)	\$ 9,662,258 (17%)
Regent-wide	\$88,123,531 (23%)	\$182,344,106 (48%)	\$112,816,890 (29%)

Average Undergraduate Student Debt at Graduation

	1991-92	1992-93	1993-94	1994-95	1995-96	% Change from 1991-92 to 1995-96
SUI	\$ 7,103	\$ 8,761	\$ 10,979	\$ 13,554	\$ 16,880	138%
ISU	\$ 12,123	\$ 12,971	\$ 14,073	\$ 14,842	\$ 16,266	34%
UNI	*	*	\$ 10,159	\$ 13,461	\$ 16,378	61%*

*Based on 3 years of available data

Campus Employment 1995-96:
Work Study and Other University Employment

	Work Study Positions	Other Employment	Assistantships	Total
SUI	2,003 (\$2,945,527)	12,461 (\$21,446,645)	3,412 (\$35,756,308)	17,876 (\$ 60,148,480)
ISU	2,031 (\$1,974,631)	3,787 (\$13,959,754)	2,114 (\$27,071,767)	7,932 (\$ 43,006,152)
UNI	1,144 (\$1,052,148)	3,816 (\$ 7,111,897)	315 (\$ 1,498,213)	5,275 (\$ 9,662,258)
Regent-wide	5,178 (\$5,972,306)	20,064 (42,518,296)	5,841 (\$64,326,228)	31,083 (\$112,816,890)

Recently, Congress has begun scrutinizing the amounts and types of aid available under the federal programs. Consolidation or elimination of programs will likely occur in the future.

Mr. Richey stated that the third recommendation, "commend the universities for their commitments and their efforts to increase student financial aid from institutional and private sources" flies in the face of a report of the Legislative Fiscal Bureau to the Legislative Fiscal Committee which indicated that the Regent institutions are underspending their financial aid budgets. He said a report in the Cedar Rapids Gazette indicates that the Legislative Fiscal Bureau did not include graduate student stipends which, by itself, would account for all of the difference between the Legislative Fiscal Bureau staff figures and the Board Office figures. He plans to do a thorough analysis of the information of the Legislative Fiscal Bureau and the Regents' information. A copy of that report will be furnished to the Regents, to the Governor's office and to all legislators. He believes the Legislative Fiscal Bureau staff report is incomplete and needs to be corrected.

Regent Lande referred to private grants and gifts and asked how those fit within the institutional financial aid programs. What percentage of financial aid is received from private sources?

Mr. Richey responded that he would have to get that information for the Regents. He noted that the institutions have special drives underway to augment student aid budgets dramatically.

Regent Pellett asked what percentage of students receive some form of financial aid. President Jischke responded that 75 percent of Iowa State University students receive some form of financial aid. The total financial aid at Iowa State University is in excess of \$150 million. Total cost for students averaged \$10,000/student for a total of \$250 million. Financial aid programs are financing over 60 percent of the cost for students which he said was an incredible triumph. The university does provide numerous avenues for students to pursue their education.

Mark Warner, Director of Student Financial Aid, University of Iowa, stated that the number of students at the University of Iowa who are receiving some form of financial aid was very similar to that at Iowa State University, about 75 percent.

Vice President Follon stated that the number of students at the University of Northern Iowa who are receiving some type of financial aid funds is 75 percent to 78 percent.

Regent Pellett said she was pleased that the accessibility to students is high. On the other hand, it has ramifications for tuition. Why are so many students needing financial assistance? Is tuition too high? Are budgets too high? She said they needed to think about the whole gamut.

Mr. Warner stated that at the University of Iowa the increase in federal loan programs from 1995-96 versus 1994-95 was approximately \$18 million. Much of the additional borrowing resulted from the 1992 higher education act which created a new unsubsidized federal loan. Creation of this program has allowed students who in the past had partial financial need to borrow, even beyond their need, through an unsubsidized federal loan. Students who in the past have not qualified for any federal loans are now borrowing money through the unsubsidized federal loan. He believes that the availability of loans effective spring 1994 has led to great increases in borrowing and consequently the increase in debt.

Regent Lande referred to the increased borrowing rates of students due to the availability of funds, and asked if students receive any counseling about their borrowing. Mr. Warner responded that each institution is required to provide counseling information before a student borrows their first dollar at the undergraduate level. This week the student financial aid office is meeting with every student who is borrowing for the first time through the federal direct student loan program. At those counseling sessions students are provided with materials and afforded an opportunity to ask questions. Also, before a student leaves the institution he/she is required to receive exit counseling information on repayment of loans. The financial aid office works with the graduate and professional programs, as well.

Director Warner stated that during this past fiscal year, 16.2 percent of tuition revenues were set aside as student financial aid. He guaranteed that money was spent on student aid. University of Iowa freshmen students who matriculated in the fall of 1994, with a 28 or above ACT score or who were in the top 10 percent in their high school class and had financial need, were awarded a freshman scholarship. Over 500 students were so qualified; not one was denied because of lack of availability of freshman scholarship dollars. Approximately 1,600 upper class students who demonstrated need were awarded full tuition scholarships.

Regent Arenson asked if Iowa is unique with respect to the amount of debt by students at the time they leave the university. Are things happening in Iowa that are not happening elsewhere? Mr. Warner responded that what was happening in Iowa was happening across the nation, although students in Iowa professional graduate colleges are graduating with not nearly the amount debt as similar students in other states.

Regent Dorr stated that he believed the amount of federal financial aid that is being incurred by students was appalling. The Regent universities are experiencing a 94 percent increase in the amount of federal loans being dispersed in the course of 4 years. He questioned whether students really know what they are incurring. He was also concerned about how ethical it is for the universities to dispense the money and then to turn around and collect it. He said the institutions were funding growth of the

institutions on the credit of the students. They continue to develop systems, programs, and processes; what happens when that money is stopped? He said there were some serious policy issues involved in this. What is the risk to the institution's capability in the long term if it is built on a diet of this kind of capital infusion.

Mr. Richey said the answer would be to limit access.

Regent Dorr stated that when Iowa State University made cost effectiveness an issue it was able to import 154 national merit scholars. He said that was because the cost was reduced. If they continue to inflate the budget, the costs will inflate. Accessibility could actually be enhanced if the institutions were more competitive.

Regent Arenson said his understanding of the situation at Iowa State University to which Regent Dorr referred was that university officials distributed more financial aid funds this year because of private fund raising. Therefore, they were able to bring in more students.

Regent Dorr stated that what was happening concerning the additional debt burden of the students was bad policy in the long term.

Regent Arenson said he believed that the public policy the Board members had to consider was whether they were trying to enable people to get an education who otherwise could not. It was a philosophical question. He said that when students leave the university it is possible under certain circumstances they may have a debt. Students have to balance that debt against the value of the education they receive.

Regent Dorr questioned whether accessibility was being defined by the debt load that students carry when they graduate. He cautioned that the banner of accessibility to justify this kind of access to capital was tenuous to use as a justification.

Regent Tyrrell likened the additional availability of federal loan funds to credit accessibility. He said it was a policy that is beyond the range or scope of what can be addressed at this Board level. He was concerned that students are anxious to live a little higher on the hog and not make some sacrifices but it was a choice that they make. The public policy is there and, except through the political process, the Board of Regents really does not have any impact on it.

President Jischke expressed his belief that the public policy reflects a very deeply held view in this country, and one which he supports, that investment in your own education is a very wise investment. What has happened as a matter of public policy is that education has been made more possible for more students. Yes, they do undertake a debt. He said \$16,000 was not a trivial amount of money. However, within the context

of expected earnings, it was a very smart investment. Not only will students have a richer life, but society will be enriched, which is the purpose of public education. He said he took exception to the notion that the universities are somehow self serving. The whole purpose of these institutions is to educate people and it takes money to do so. The fact that ways have been found, partly from the federal government, partly through the reallocation of university resources, partly through state appropriations, partly through private giving, seemed to him to be a widespread endorsement that this is a very smart thing to do. This policy reflects the view of the American people and the people of Iowa, in particular. He said the sense of the comments that the universities are somehow taking advantage of these young people was quite wrongheaded.

President Jischke stated that in this country there has been a transition from grants to loans. There has been a shift in the burden of financing education from the public generally to students through higher tuition rates. Students will carry a larger share of the burden for financing their education. University officials are finding ways to help them do that which he said was appropriate.

ACTION: President Newlin stated the Board, by general consent, (1) received the report, (2) requested that student financial aid directors continue to monitor the federal budgeting process as it relates to student aid and report implications for Iowa families, and (3) commended the universities for their commitments and their efforts to increase student financial aid from institutional and private sources.

TUITION POLICIES AND RATES. The Board Office recommended:

- (1) That the Board give preliminary consideration to approving academic year tuition rates and mandatory fees, effective with the summer session 1997, as follows and as set forth in Table 1:
 - 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 above 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 partially a simulation clinic, clinical and teaching laboratory improvements, and equipment upgrading and replacement;
- e. 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

- f. 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
 - g. Increase the student health fee charged at Iowa State University and the University of Northern Iowa from \$88 to \$90 per academic year.
- (2) That general institutional financial aid for students be increased at the same rate as the proposed increase in tuition and mandatory fees to offset the impact on students now receiving institutional financial aid.

- (3) That the additional tuition revenues be used for:

Implementation of the Doctor of Pharmacy program at the University of Iowa;

Advancement of the University of Iowa College of Law's strategic planning goals;

Development of a dental simulation clinic and laboratory and equipment improvements for the University of Iowa College of Dentistry;

At the University of Iowa: Instructional equipment, library operations and technology support, improvements to classrooms and other campus gathering places for students, student academic and support services, and leveraging the request for state support of the university's technology-based teaching initiative;

At Iowa State University: Continued implementation of the 4-year graduation plan and improvement of student retention and graduation rates, expanding course offerings and instructional hours, improving responsiveness to student needs and accommodating the needs of non-traditional students, increasing instruction of introductory courses by senior faculty, and upgrading instructional support facilities and increased student access to such facilities; and

At the University of Northern Iowa: Personalizing the learning environment to assist in the improvement of individual academic success and retention to graduation; and improving the level of services to students through access to expanded data bases and information sources that support the instructional environment, student development and student administrative support.

- (4) That the Board schedule final action on the proposed tuition and mandatory fee rates at the October Board meeting.

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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 recommended rate increase has been kept below four percent to ensure affordability.

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 from the next lowest 1996-97 rate (University of Wisconsin - \$3,032) and 33 percent below the current Big Ten median (\$4,153).

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 Iowa State University) 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.

National averages for 1996-97 were not yet available, but Regent average 1995-96 resident undergraduate tuition and fees of \$2,588 were 79.7 percent of the national average of \$3,210 for public universities, as reported in an annual study by the Washington State Higher Education Coordinating Board.

Iowa resident undergraduate tuition and fees as a percentage of the national average have declined each year since 1989-90; in that year, Regent tuition and fees were 92.8 percent of the national average.

The proposed increase was lower than the projected increase in national and Iowa personal income; these were projected to increase by 4.7 percent during calendar year 1997.

Regent tuition and fees as a percentage of Iowa per capita income (12.1 percent) were less than the percentages of most other midwestern states and the nation (14.1 percent).

The 3.9 percent recommended increase was less than the increase in general university general fund budgets in recent years and was comparable to recent increases in instructional unit costs.

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.

Resident Tuition and Mandatory Fees:

Including increases in mandatory fees (health, computer and health facility fees) the recommendations for resident undergraduate tuition and fees (excluding Pharmacy) for 1997-98 were:

<u>Institution</u>	<u>Total Tuition and Fees</u>		<u>Percentage Increase</u>		<u>Dollar Increase</u>	
SUI	\$2,760	**	4.3%	*	\$114	**
ISU	2,766	**	3.8%		100	**
UNI	2,752		3.9%		102	

* Includes establishment of \$10 per academic year health facility fee.

** Dollar costs and increases for students majoring in Engineering at SUI and ISU and students majoring in Computer Science and Management Information Systems at ISU are slightly higher.

Nonresident Tuition and Mandatory Fees:

Including increases in mandatory fees (health, computer and health facility fees), the recommendations for non-resident undergraduate tuition and fees (excluding Pharmacy) for 1997-98 were:

<u>Institution</u>	<u>Total Tuition and Fees</u>		<u>Percentage Increase</u>		<u>Dollar Increase</u>	
SUI	\$9,616	**	4.0%	*	\$372	**
ISU	8,808	**	3.9%		\$328	**
UNI	7,136		3.9%		\$268	

* Includes establishment of \$10 per academic year health facility fee.

** Dollar costs and increases for students majoring in Engineering at SUI and ISU and students majoring in Computer Science and Management Information Systems at ISU are slightly higher.

Increases in Pharmacy Tuition at the University of Iowa:

In order to assure adequate funding for the continuing implementation and development of the Doctor of Pharmacy (Pharm. D.) program, the Board Office recommended that a 7.5 percent tuition surcharge be added to the basic 3.9 percent resident and nonresident undergraduate Pharmacy and Pharm. D. tuition increases for 1997-98.

The total recommended percentage increase in base tuition and fees for Pharmacy was 11.4 percent.

Increases in Law Tuition at the University of Iowa:

In order to increase funding for the College of Law to the level needed to advance the college's strategic planning goals related to strengthening fundamental lawyer skills training, the Board Office recommended increasing resident Law tuition by a base increase of 3.9 percent plus a \$350 surcharge, and increasing nonresident Law tuition by a base 3.9 percent increase plus a \$500 surcharge.

The total recommended percentage increase in base tuition and fees for Law was 10.7 percent for residents and 7.5 percent for nonresidents.

Increases in Dentistry Tuition at the University of Iowa:

University of Iowa officials proposed a tuition surcharge of \$1,000 per student to be assessed to first and second year students in FY 1998 in addition to the 3.9 percent increase in base tuition and fees.

The total recommended percentage increase in base tuition and fees for first and second year dental students was 21.7 percent for residents and 9.6 percent for nonresidents.

How Do Regent Tuition Rates Compare?

Regent 1996-97 resident undergraduate tuition and fees are generally well below the median and average tuition and fees of Big Ten public universities, SUI's comparison group of AAU universities, ISU's comparison group of land grant universities, UNI's comparison group of comprehensive public universities, and the average for 26 Iowa independent colleges and universities:

	1996-97 Res. Undergraduate Tuition & Fees	Regent % Diff. From Median/Aver.	Regent \$ Diff. From Median/Aver.
University of Iowa	\$2,646		
Iowa State University	\$2,666		

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University of Northern Iowa	\$2,650		
Big Ten Public U. Median*	\$4,153	-36.3%	-\$1,507
Big Ten Public U. Average*	\$4,288	-38.3%	-\$1,642
SUI AAU Group Median*	\$3,626	-27.0%	-\$980
SUI AAU Group Average*	\$3,479	-23.9%	-\$833
ISU Land Grant Group Median*	\$3,338	-20.1%	-\$672
ISU Land Grant Group Average*	\$3,391	-21.4%	-\$725
UNI Pub. Comp. U. Group Median*	\$2,838	-.7%	-\$188
UNI Pub. Comp. U. Group Average*	\$2,826	-.6%	-\$176
26 Iowa Independent College and University Average	\$12,363	-78.5%	-\$9,709

* Averages and medians exclude Iowa institutions

As shown in the following table, increases in Regent resident undergraduate tuition and fees during the past 5 years have been significantly less than the increases in the median and average tuition and fees of the Big Ten public universities, the medians and averages of the AAU, land grant, and public comprehensive universities comparison groups, and the average of 26 Iowa independent colleges and universities:

	1 Year		5 Year	
	%	\$	%	\$
	Increase	Increase	Increase	Increase
	95-96 to	95-96 to	91-92 to	91-92 to
	96-97	96-97	96-97	96-97
University of Iowa	3.4%	\$88	27.7%	\$574
Iowa State University	3.6%	\$92	28.7%	\$594
University of Northern Iowa	3.6%	\$92	27.9%	\$578
Big Ten Public U. Average*	6.3%	\$250	39.7%	\$1,208
Big Ten Public U. Median*	5.6%	\$447	38.0%	\$1,255
SUI AAU Group Average*	9.6%	\$161	54.2%	\$1,104
SUI AAU Group Median*	5.8%	\$198	50.4%	\$1,216
ISU Land Grant Group Average*	9.7%	\$250	49.5%	\$1,061
ISU Land Grant Group Median*	5.6%	\$173	38.3%	\$961
UNI Pub. Comp. U. Group Aver.*	5.1%	\$143	42.2%	\$830
UNI Pub. Comp. U. Group Med.*	5.1%	\$150	37.8%	\$748
26 Iowa Independent College Aver.	4.1%	\$489	33.5%	\$3,102

* Averages and medians exclude Iowa institutions

Economic Indicators:

The table below shows the annual percentage increases since fiscal year 1992 in Regent resident undergraduate tuition and fees, the Higher Education Price Index (HEPI), the Consumer Price Index (CPI), and per capita personal income in Iowa and the nation:

	FY1998	FY1997	FY1996	FY1995	FY1994	FY1993	FY1992
Higher Education Price Index	3.3%*	3.2%*	3.0%	3.0%	3.4%	2.9%	3.5%
Consumer Price Index	3.0%*	2.9%*	2.7%	3.0%	2.5%	3.1%	3.2%
Per Capita Personal Income-US**	N/A	4.7%	4.8%	5.0%	4.3%	3.3%	4.9%
Per Capita Personal Income-IA**	N/A	4.7%	4.6%	4.1%	9.6%	.8%	6.9%
Resident Undergrad. Tuit. & Fees	3.9%*	3.5%	4.2%	4.4%	5.6%	7.5%	9.1%

* = Projected/Proposed

** = Figures are calendar year rather than fiscal year

NA = Not Available

Income in Relation to Tuition and Fees:

The following table lists the 10 states represented in the Regent universities AAU, Land Grant, and Public Comprehensive University comparison groups, along with other states contiguous to Iowa, and shows the average public university resident undergraduate tuition and fees charged in each state as a percentage of each state's per capita personal income.

Tuition and Fees as a Percentage of Per Capita Personal Income

	1995	1994	1993	1992	1991	1990	1989
IOWA	12.2%	12.2%	12.8%	12.2%	12.1%	11.4%	11.7%
Arizona	9.5%	9.9%	10.1%	9.1%	9.5%	9.5%	9.3%
California	18.4%	19.4%	18.1%	15.0%	12.8%	9.7%	8.5%
Illinois	15.8%	15.7%	15.6%	15.9%	15.4%	14.8%	15.4%
Indiana	16.8%	16.6%	14.9%	14.6%	14.4%	13.2%	12.3%
Michigan	24.8%	24.7%	24.9%	23.2%	21.6%	20.2%	19.3%
Minnesota	18.0%	16.2%	16.5%	16.3%	15.2%	14.5%	14.2%
Missouri	17.4%	16.5%	15.9%	14.7%	13.9%	11.9%	11.5%
Nebraska	11.8%	11.6%	11.6%	11.0%	11.3%	11.0%	11.3%
North Carolina	8.0%	7.8%	7.6%	7.0%	7.2%	6.5%	6.5%
Ohio	14.9%	14.8%	14.9%	14.7%	14.3%	13.4%	13.2%
South Dakota	13.6%	12.7%	12.0%	11.8%	12.1%	12.0%	12.8%
Texas	11.5%	8.7%	7.8%	7.7%	7.3%	6.0%	6.2%
Wisconsin	13.2%	13.1%	12.8%	12.3%	12.2%	12.1%	12.2%
NATIONAL AVERAGE	14.1%	14.0%	13.6%	13.0%	12.6%	11.6%	11.1%

Tuition and Fees and Instructional Costs:

The following tables contain information on Regent resident and nonresident Undergraduate tuition and fees, estimates prepared by the universities of unit costs of instruction for 1996-97 and 1995-96, and actual unit costs from the biennial reports covering 1994-95, 1992-93 and 1990-91.

University of Iowa	% Change 1990-91 to					
	1996-97	1996-97	1995-96	1994-95	1992-93	1990-91
Resident Undergrad. Tuit. & Fees		\$2,646	\$2,558	\$2,455	\$2,228	\$1,900
% Increase	39.3%	3.4%	4.2%	10.2%	17.3%	
Nonres. Undergrad. Tuit. & Fees		\$9,244	\$8,808	\$8,313	\$7,192	\$6,240
% Increase	48.1%	4.9%	6.0%	15.6%	15.3%	
Undergraduate Unit Costs		\$7,276*	\$7,011*	\$6,850	\$6,069	\$5,731
% Increase	27.0%*	3.8%*	2.4%*	12.9%	5.9%	
University Composite Unit Costs		\$11,896*	\$11,355*	\$10,836	\$9,676	\$9,179
% Increase	29.6%*	4.8%*	4.8%*	12.0%	5.4%	

* = Estimate; estimates for 1996-97 are Board Office estimates based on increases in general fund budgets.

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Iowa State University	% Change 1990-91 to					
	1996-97	1996-97	1995-96	1994-95	1992-93	1990-91
Resident Undergrad. Tuit. & Fees % Increase	40.3%	\$2,666 3.6%	\$2,574 4.2%	\$2,471 10.9%	\$2,228 17.3%	\$1,900
Nonres. Undergrad. Tuit. & Fees % Increase	37.2%	\$8,480 3.5%	\$8,192 6.0%	\$7,731 10.5%	\$6,996 13.2%	\$6,180
Undergraduate Unit Costs % Increase	16.4%*	\$7,698* 3.0%*	\$7,474* 6.0%*	\$7,048 8.3%	\$6,509 -1.6%	\$6,612
University Composite Unit Costs % Increase	17.9%*	\$9,035* 3.6%*	\$8,721* 6.2%*	\$8,211 8.2%	\$7,592 -9%	\$7,662

* = Estimate; estimates for 1996-97 are Board Office estimates based on increases in general fund budgets.

University of Northern Iowa	% Change 1990-91 to					
	1996-97	1996-97	1995-96	1994-95	1992-93	1990-91
Resident Undergrad. Tuit. & Fees % Increase	39.5%	\$2,650 3.6%	\$2,558 4.2%	\$2,455 10.2%	\$2,228 17.3%	\$1,900
Nonres. Undergrad. Tuit. & Fees % Increase	42.8%	\$6,868 3.5%	\$6,634 6.0%	\$6,261 12.4%	\$5,570 15.8%	\$4,810
Undergraduate Unit Costs % Increase	38.9%*	\$7,129* 4.9%*	\$6,796* 4.1%*	\$6,530 9.6%	\$5,956 14.6%	\$5,199
University Composite Unit Costs % Increase	37.0%*	\$7,632* 5.0%*	\$7,269* 3.7%*	\$7,012 9.8%	\$6,388 14.7%	\$5,571

* = Estimate; estimates for 1996-97 are Board Office estimates based on increases in general fund budgets.

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

	University of Iowa	Iowa State University	University of Northern Iowa	Regent Universities Combined Total
1991-92	29.0%	31.0%	29.2%	29.8%
1992-93	29.2%	31.2%	26.9%	29.6%
1993-94	29.4%	32.1%	27.4%	30.1%
1994-95	30.3%	32.0%	27.6%	30.5%
1995-96	30.3%	31.5%	27.8%	30.3%
1996-97*	30.3%	30.6%	27.4%	30.0%

* Budgeted

The Impact of the Proposed 1997-98 Tuition Rates on Tuition Revenues:

Assuming FY 1997 budgeted enrollments, the estimated increase in gross tuition revenues for 1997-98 as a result of the recommended tuition increases are as follows:

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Gross Tuition Proceeds	University of Iowa	Iowa State University	University of Northern Iowa	Total
Basic 3.9% Increase	\$4,014,700	\$3,064,600	\$1,142,400	\$8,221,700
SUI Pharmacy Surcharge	200,000			200,000
SUI Law Surcharge	265,000			265,000
SUI Dentistry Surcharge	148,000			148,000
TOTALS	\$4,627,700	\$3,064,600	\$1,142,400	\$8,834,700

The estimated increases in the student financial aid set aside for 1997-98 were:

University of Iowa	\$ 740,400
Iowa State University	337,100
University of Northern Iowa	<u>221,700</u>
Total	\$1,299,200

The estimated increase in net tuition revenues after deducting the student financial aid set aside are as follows:

Net Tuition Proceeds	University of Iowa	Iowa State University	University of Northern Iowa	Total
Basic 3.9% Increase	\$3,372,400	\$2,727,500	\$920,700	\$7,020,600
SUI Pharmacy Surcharge	168,000			168,000
SUI Law Surcharge	222,600			222,600
SUI Dentistry Surcharge	124,300			124,300
TOTALS	\$3,887,300	\$2,727,500	\$920,700	\$7,535,500

Use of Tuition Proceeds:

University of Iowa

Doctor of Pharmacy (Pharm. D.): University officials stated that increased support for the Pharm. D. program will hire two FTE faculty and provide additional travel costs for faculty to coordinate the program throughout the state.

The College of Law will:

- Add a new Library Assistant III to staff the library circulation desk during nights and weekend to assist students in accessing library materials;
- Add the position of Assistant Dean of Students/Clinical Specialist in legal ethics;
- Provide part-time clerical and operating support for seven student-run co-curricular programs;

- Permanently fund a part-time business manager; the law school has employed a part-time business manager for the past five years using non-recurring funds;
- Provide funds for judges and practitioners in residence, guest speakers, skills-training lecturers, mentors and other professional programming.

The College of Dentistry will begin planning construction of the simulation clinic, which will replace outdated pre-clinical laboratories; this is the first phase of a facility renovation and equipment replacement program.

General University: Tuition proceeds will be used for:

- Modernization of classrooms and other campus gathering places for students, and acquiring and upgrading instructional equipment;
- Library operations and technology support;
- Student academic and support services; and
- Leveraging the request for state support of the university's technology-based teaching initiative.

Iowa State University

Tuition proceeds will be used for:

- Continued implementation of the 4-year graduation plan and improvement of student retention and graduation rates;
- Expanding course offerings and instructional hours;
- Improving responsiveness to student needs and accommodating the needs of non-traditional students;
- Increasing instruction of introductory courses by senior faculty; and
- Upgrading instructional support facilities and increased student access to such facilities.

University of Northern Iowa

Tuition proceeds will be used to:

- Improve the undergraduate education experience by personalizing the learning environment, including initiatives that increase personal contact between students and faculty/staff and address student acclimation to the learning process; and
- Improve the level of services to students through access to expanded data bases and information sources that support the instructional environment, student development, and student administrative support (i.e. advising, registration, financial aid status, academic progress toward degree completion).

Student Health Fees:

The Board Office recommended the following student health fees for the 1997-98 academic year:

Student Health Fees

	1996-97 Rate	Proposed 1997-98 Rate	Dollar Increase	% Increase
University of Iowa	\$84	\$86	\$2	2.4%
Iowa State University	88	90	2	2.3%
University of Northern Iowa	88	90	2	2.3%

Assuming stable enrollments, the estimated revenues from the recommended 1997-98 student health fees were:

Student Health Fee Revenues

	Estimated 1997-98 Gross Revenues	Estimated Increase From 1996-97
University of Iowa	\$2,053,400	\$47,700
Iowa State University	2,130,300	47,300
University of Northern Iowa	<u>1,031,000</u>	<u>23,000</u>
TOTAL	\$5,214,700	\$118,000

Student Health Facility Fee - University of Iowa and Iowa State University:

University of Iowa

University of Iowa officials proposed establishment of a \$10 per academic year Student Health Service facility fee; the Board Office recommended establishment of this fee.

The facility fee is expected to generate \$240,000 in FY 1998.

Iowa State University

No increase in Iowa State University's \$16 per academic year mandatory student health facility fee was proposed or recommended.

Computer Fees:

The Board Office recommended the following computer fees for the 1997-98 academic year:

<u>Institution</u>		<u>1996-97 Academic Year Rate</u>	<u>Proposed 1997-98 Academic Year Rate</u>	<u>% Increase</u>
SUI	All students other than Law and Engineering	\$ 92	\$ 98	6.5%
	Law students	150	160	6.7%
	Engineering students	320	330	3.1%
ISU	All students other than Engineering, Computer Science and Management Information Systems students	92	94	2.2%
	Engineering students	320	330	3.1%
	Computer Science and Management Information Systems students	250	258	3.2%
	UNI	All students	92	96

Assuming stable enrollments, the estimated 1997-98 revenues from the recommended computer fees are:

Computer Fee Revenues

	Estimated 1997-98 Gross Revenues	Estimated Increase From 1996-97
University of Iowa	\$2,293,400	\$127,400
Iowa State University	\$3,173,000	\$83,000
University of Northern Iowa	<u>\$1,085,000</u>	<u>\$45,000</u>
TOTAL	\$4,789,000	\$209,000

Estimated Total Cost of Attending Regent Universities:

The Regent residence systems and financial aid offices provided the following estimated 1997-98 room and board charges and other costs associated with attending the Regent universities:

	Resident Undergrad. Tuition and Fees*	Room and Board**	Other Costs**	Estimated Total Costs**
University of Iowa	\$2,760	\$3,895	\$3,395	\$10,050
% Increase	4.3%	5.6%	3.1%	4.4%
Iowa State University	\$2,766	\$3,620	\$3,225	\$9,611
% Increase	3.8%	3.2%	3.2%	3.4%
University of Northern Iowa	\$2,752	\$3,476	\$3,648	\$9,876
% Increase	3.9%	6.5%	3.0%	4.4%

* = Proposed

**=Estimated

Actual room and board rates are set in the spring when the effects of such variables as labor contracts, occupancy rates, and the costs for food, utilities, and repairs are better known.

Mr. Richey noted that the Higher Education Price Index growth estimate was a prudent estimate of a Higher Education Price Index inflation rate for the next several years, which was likely be in the 3-1/2 percent to 4 percent range.

President Jischke expressed his support for the Board Office recommendation as a reasonable proposal. He noted that when combining the tuition increase with other increases, the composite was 3.4 percent which was close to the Higher Education Price Index. He said the tuition increase proceeds would be committed to improving the quality of instruction.

President Coleman expressed her support for the Board Office recommendation, noting she was pleased that the amount of increase was consistent for both in-state and out-of-state students. She then discussed the specific surcharges at the University of Iowa, noting that the students would benefit directly from the funds generated by those surcharges.

President Koob expressed his support for the recommendation of the Board Office. University of Northern Iowa officials will use those funds, as they have in the past, to continue the drive for more personalized learning environments in what is already considered to be a student-centered university.

President Koob then asked to add to the comments that President Jischke made a few minutes earlier under the student financial aid report regarding the importance of an investment in an education. He provided the Regents with information from Census Bureau data published in 1993, noting that the spreads had increased since then. He said the average monthly income for high school graduates in the United States was \$1,380. For a bachelor's degree holding person, the average monthly income was \$2,625.

Marc Beltrame, President, University of Iowa Student Association, discussed comments of students regarding the proposed tuition increase. He said there were not many tangible results of tuition increases for students although each year the reasons for the tuition increase were the same: increase library equipment, modernize classrooms and laboratories, etc. He doubted that the goals of the university would not be advanced if tuition were not increased.

President Newlin asked if a representative of the professional colleges at the University of Iowa was prepared to address the Board. Mr. Beltrame responded that no graduate student representative had asked to speak to the Board regarding tuition.

President Newlin thanked Mr. Beltrame for his remarks.

Adam Gold, President, Government of the Student Body, Iowa State University, stated that the tuition increase proposal was for the second lowest percentage increase in 16 years. He distributed a report to the Regents concerning tuition research conducted by the Government of the Student Body. He said the students found the proposed increase in tuition acceptable. He thanked university administrators, faculty, staff and the Board of Regents for making Iowa State University what it is today. He thanked the Regents specifically for volunteering their time to serve the students and the state. He hoped that in the future the issues of concern to students will continue to be heard by the Board.

President Newlin thanked Mr. Gold for his remarks.

Liesl Kelly, Representative, Iowa State University Graduate Student Senate, stated that she chairs the committee for full tuition remission. She presented information including a hand out which she said justified the graduate students' position. She said graduate students are doing the majority of the work that is making Iowa State University famous. She acknowledged that improvements are taking place for graduate students which was why they were not asking for greater stipends. The university's ability to attract graduate students is affected by what it is able to offer those students. She concluded by expressing her belief that the proposal was for a most fiscally conservative investment.

President Newlin thanked Ms. Kelly for her remarks.

Regent Arenson noted that Iowa State University officials had originally requested \$2.2 million for graduate assistants tuition scholarships in each fiscal year 1998 and 1999. The Board Office recommendation was for \$1.1 million for each year. He asked for the impact of the Board Office recommendation.

President Jischke responded that Iowa State University's ability to compete for the most talented graduate students depends in part on the level of support that can be provided. He said Iowa State University is at a competitive disadvantage with the best research universities in the country by only offering half tuition remission for graduate assistants. It has become the norm among the best institutions in the country to offer full tuition remission. The cost of doing that at Iowa State University is about \$4.5 million. He said that \$1.1 million over 4 years would get the job done; however, \$2.2 million over 2 years does it faster. The goal is to put the university in a much more competitive position to attract the academic superstars of the future. He said he was pleased that the Board Office had increased the recommendation from zero.

The Regents asked specific questions of the students regarding figures contained in the materials the students had distributed. The students left the Regents with petitions signed by students supporting full tuition remission for graduate students.

Threase Harms, President, University of Northern Iowa Student Government, provided the Regents with comments and concerns of the students. Students questioned whether the additional tuition proceeds would enhance their education. Students asked to have input on what the additional tuition increase funds would be used for.

Regent Dorr asked that prior to formal action next month, the institutions and the Board consider incorporating the computer fee into the overall tuition issue. It was his recollection that the computer fee was instituted as a method of gaining additional funds

to upgrade the computing capabilities of the institutions. He said the computer fee continues to be an ancillary source of funds while there appeared to be no commensurate responsibility for the state and the institutions to incorporate computer funding into the overall operating budget. If electronic technology capabilities are intrinsic to education, they are no different than buildings or any other costs and ought to be incorporated into the overall cost structure rather than piece meal the cost as fees.

Regent Arenson referred to the differential between the resident and non-resident surcharge in the law school of \$350 and \$500, respectively. He asked why non-residents were not charged an even higher fee.

Dean Heinz responded that it had to do with competitiveness. He said Iowa resident tuitions are at the bottom in the Big 10, even with 4 years of surcharges. However, the overall percentage that has been added to the non-resident tuitions over the last 5 years has driven those tuitions up. The university was getting to the place where the non-resident tuition begins to get non competitive if they keep the surcharge increasing at twice the rate of the resident surcharge. There will eventually be a market effect.

Regent Pellett asked how much longer the surcharge for the Pharm. D. program would be in effect. Dean Banker responded that the Board approved 4 years of surcharges for the program. This would be the last year.

Regent Pellett asked why these 4 years of students are being charged the fee to implement an ongoing Pharm. D. program. Dean Banker said it was his understanding that the cost of implementing the program was one that the Regents felt they could not ask the legislature to fund. Secondly, the cost of the professional doctoral program is much higher than the cost of the undergraduate program. To not increase the cost would have shifted the load of paying for the program onto the backs of other professional students; therefore, just as in other professional schools, the tuition surcharge was a mechanism of funding. Additionally, there is very high demand for the program, both in state and out of state. The college's graduating classes have a zero unemployment rate and starting salaries range from \$50,000 to \$75,000. The University of Iowa has one of the lowest Pharm. D. tuitions in the country, even with the surcharge.

Regent Pellett said it was her understanding that the perception of students and parents is that they are paying for the implementation of the program. Dean Banker responded that they are not.

Regent Pellett expressed concern with increasing tuition by 3.9 percent so that financial aid can be increased by the same rate.

President Newlin thanked Presidents Koob and Jischke for their remarks as to the value of higher education with respect to society in general and students' earning power.

ACTION: President Newlin stated the Board accepted the recommended action, as outlined beginning on page 185, by general consent.

OPERATING APPROPRIATION REQUESTS FOR FISCAL YEARS 1998 AND 1999.

The Board Office recommended the Board (1) ratify the adjusted budget for FY 1997 to reflect the additional salary allocation of \$1,774,936; (2) approve the request for FY 1997 supplemental appropriation of \$2.3 million to cover salary shortfall if anticipated rebates by the Department of Management (DOM) do not materialize; and (3) approve the Board Office recommendation of FY 1998 and FY 1999 general fund operating appropriations as follows:

	<u>FY 1997</u>	<u>FY 1998</u>	<u>% Inc.</u>	<u>FY 1999</u>	<u>% Inc.</u>
University of Iowa	\$267,991,608	\$276,127,621	3.0	\$283,569,901	2.7
Iowa State University	227,233,427	233,987,641	3.0	240,055,448	2.6
University of Northern Iowa	76,105,009	78,516,337	3.2	80,763,041	2.9
Iowa School for the Deaf	6,930,448	7,050,437	1.7	7,130,078	1.1
Iowa Braille and Sight Saving School	<u>3,871,520</u>	<u>3,956,608</u>	<u>2.2</u>	<u>3,992,030</u>	<u>1.4</u>
Institutional Subtotal	\$582,132,012	\$599,638,644	3.0	\$615,510,498	2.7
Regional Study Centers	341,117	343,891	0.8	346,738	0.8
Board Office	1,349,234	1,513,256	12.2	1,519,936	0.4
Clothing and Transportation	<u>11,882</u>	<u>16,400</u>	<u>38.0</u>	<u>16,976</u>	<u>3.5</u>
Total	\$583,834,245	\$601,512,191	3.0	617,394,148	2.7

Appropriations for FY 1998 and FY 1999 as requested by the institutions and recommended by the Board Office are listed by institution:

Appropriation Requests for FY 1998

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	<u>Request</u>	<u>% Increase</u>	<u>Recommendation</u>	<u>% Increase</u>
University of Iowa	\$288,077,857	7.5%	\$276,127,621	3.0%
Iowa State University	240,867,663	6.0%	233,987,641	3.0%
University of Northern Iowa	80,673,009	6.0%	78,516,337	3.2%
Iowa School for the Deaf	7,346,274	6.0%	7,050,437	1.7%
Iowa Braille and Sight Saving School	<u>4,105,306</u>	<u>6.0%</u>	<u>3,956,608</u>	<u>2.2%</u>
Totals	\$621,070,109	6.7%	\$599,638,644	3.0%

Appropriation Requests for FY 1999

	<u>Request</u>	<u>% Increase</u>	<u>Recommendation</u>	<u>% Increase</u>
University of Iowa	\$299,844,473	4.1%	\$283,569,901	2.7%
Iowa State University	255,087,763	5.9%	240,055,448	2.6%
University of Northern Iowa	85,211,009	5.6%	80,763,041	2.9%
Iowa School for the Deaf	7,787,051	6.0%	7,130,078	1.1%
Iowa Braille and Sight Saving School	<u>4,242,725</u>	<u>5.3%</u>	<u>3,992,030</u>	<u>1.4%</u>
Totals	\$652,173,021	5.0%	\$615,510,498	2.7%

The recommendations were based on the Board of Regents' goals and institutional strategic plans to maintain the quality, direction, and excellence of the Regent institutions.

The primary emphases of the recommendations were:

- maintaining the purchasing power of the institutions through price inflation;
- adequate building repair funding;
- undergraduate education;
- strengthening research and other creative work;
- improving access by all Iowans to Regent universities;
- improving the facilities, equipment and operating budgets basic to strong programs of teaching and research; and

- improving the flexibility, efficiency, and accountability of governance of Regent institutions.

Mr. Richey referred to the recommendation to adjust the FY 1997 institutional budgets by \$1,774,936 for the additional allocation of salary funds to finance the state salary policy. He said the recommendation indicates that the Regents are still \$2.3 million below the amount necessary to finance the state salary policy. That amount is actually \$2.5 million; however, the Department of Management is indicating that the Regents are to make up the difference by encouraging employees to switch from state health insurance plan II to state health insurance plan III and it will not entertain a request to restore the \$250,000. The Board Office recommended that the Board request a supplemental appropriation of an amount up to \$2,300,000 for fiscal year 1997 to finance the state salary policy for the Regent institutions.

With regard to the appropriation recommendations for fiscal year 1998, Mr. Richey recommended a 3 percent base increase in appropriation for several main initiatives. He said the process that the Board was going through now was part of the budget building process for the fiscal year beginning July 1, 1997. The Board members first heard reports on the recommendations for tuition increases. Recommendations for the use of those proceeds were for maintaining the relative level of student aid and for specific targeted uses for improvement of the instructional program and for the improvement of student services. He said the tuition rate increase recommendations and the use of those funds are assuming stable enrollments. There is an understanding that if enrollments go up the institutions would use those additional funds to educate and provide services to those students; if enrollments go down and the tuition revenues correspondingly are less, the institutions adjust their base budgets downward by the amount of tuition lost.

Mr. Richey stated that the most significant component of the budget building for fiscal year 1998 is the request for state appropriations. The recommendations for appropriations requests are made in accordance with policies of this Board -- the vision of excellence that these shall be among the very best institutions of their kind in this country; the strategic plans of the Board and the institutions; the instruction the Board gave to the institutions in May to do reallocations at least equivalent to 2 percent of the operating budget per year for each of the next five years.

Mr. Richey reviewed the specific initiatives that were recommended to the Board. First was undergraduate education which he noted was the Board's number one goal. Other initiatives included technology, student services, graduate and professional education. Economic development initiatives included the Pork Center, the Beef Center, technology transfer, the Institute for Decision Making at the University of Northern Iowa,

the biosciences, the National Driving Simulator. Initiatives concerning health care included continuing improvement of the program in primary care, expanding the residency education program for family practice, and expanding indigent patient care for hemophiliacs.

Mr. Richey stated that other essential elements in the recommendation for operating funds included unavoidable cost increases caused by price inflation and by the opening of new buildings. Those costs have been essentially unfunded for 15 years. The institutions have had to absorb those costs through reallocations. He said the other major initiative in the recommendation was a counterpart to the recommendation in the capital program for deferred maintenance and fire and environmental safety. There was a recommendation for a \$3 million increase per year in the operating budgets for building repair to maintain buildings on a current basis and to avoid the further accrual of deferred maintenance.

Regent Dorr asked whether the requested operating budgets appropriations would essentially end up being an approximate 6-1/2 to 7 percent aggregate budget increase for both years once the salary policy is included. Mr. Richey said it depended on the state salary policy which could be anywhere from 2 percent to a maximum of 4 percent.

Regent Dorr stated that he thought it was a poor policy to continue to try to sustain budget growth in the amount of 6-1/2 to 7 percent, approximately two times the increase in the Consumer Price Index, on a regular basis. He said that last July the Board asked the institutions to develop budgets that would hold spending increases closer to the growth in inflation. Over the last ten years the total budget growth has aggregated about 6.8 percent a year while the Consumer Price Index aggregated about 4.7 percent a year. He suggested that if other Board members were also concerned, they ought to direct the institutions to develop budgets that would be more in line with a 3-1/2 to 4 percent budget growth including salary policy on an annualized basis. He believed the institutions ought to be able to maintain quality and serve the needs of the people of Iowa with such a budget growth. If they cannot do so, he was concerned they would lose their ability to be competitive.

MOTION:

Regent Arenson moved to (1) ratify the adjusted budget for FY 1997 to reflect the additional salary allocation of \$1,774,936; (2) approve request for FY 1997 supplemental appropriation of \$2.3 million to cover salary shortfall if anticipated rebates by the Department of Management (DOM) do not materialize; and (3) approve the Board Office recommendation of FY 1998 and FY 1999 general fund operating appropriations as follows:

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	<u>FY 1997</u>	<u>FY 1998</u>	<u>% Inc.</u>	<u>FY 1999</u>	<u>% Inc.</u>
University of Iowa	\$267,991,608	\$276,127,621	3.0	\$283,569,901	2.7
Iowa State University	227,233,427	233,987,641	3.0	240,055,448	2.6
University of Northern Iowa	76,105,009	78,516,337	3.2	80,763,041	2.9
Iowa School for the Deaf	6,930,448	7,050,437	1.7	7,130,078	1.1
Iowa Braille and Sight Saving School	<u>3,871,520</u>	<u>3,956,608</u>	<u>2.2</u>	<u>3,992,030</u>	<u>1.4</u>
Institutional Subtotal	\$582,132,012	\$599,638,644	3.0	\$615,510,498	2.7
Regional Study Centers	341,117	343,891	0.8	346,738	0.8
Board Office	1,349,234	1,513,256	12.2	1,519,936	0.4
Clothing and Transportation	<u>11,882</u>	<u>16,400</u>	<u>38.0</u>	<u>16,976</u>	<u>3.5</u>
Total	\$583,834,245	\$601,512,191	3.0	\$617,394,148	2.7

Regent Kennedy seconded the motion.

Regent Dorr requested that the third recommendation be separated out from the motion. The maker and seconder agreed to amend the motion, as requested by Regent Dorr.

AMENDMENT TO MOTION: Regent Arenson moved to (1) ratify the adjusted budget for FY 1997 to reflect the additional salary allocation of \$1,774,936 and (2) approve request for FY 1997 supplemental appropriation of \$2.3 million to cover salary shortfall if anticipated rebates by the Department of Management (DOM) do not materialize.

VOTE ON THE AMENDED MOTION: The motion carried unanimously.

MOTION: Regent Smith moved to approve the Board Office recommendation of FY 1998 and FY 1999 general fund operating appropriations as follows:

	<u>FY 1997</u>	<u>FY 1998</u>	<u>% Inc.</u>	<u>FY 1999</u>	<u>% Inc.</u>
University of Iowa	\$267,991,608	\$276,127,621	3.0	\$283,569,901	2.7
Iowa State University	227,233,427	233,987,641	3.0	240,055,448	2.6
University of Northern Iowa	76,105,009	78,516,337	3.2	80,763,041	2.9
Iowa School for the Deaf	6,930,448	7,050,437	1.7	7,130,078	1.1

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Iowa Braille and Sight Saving School	<u>3,871,520</u>	<u>3,956,608</u>	<u>2.2</u>	<u>3,992,030</u>	<u>1.4</u>
Institutional Subtotal	\$582,132,012	\$599,638,644	3.0	\$615,510,498	2.7
Regional Study Centers	341,117	343,891	0.8	346,738	0.8
Board Office	1,349,234	1,513,256	12.2	1,519,936	0.4
Clothing and Transportation	<u>11,882</u>	<u>16,400</u>	<u>38.0</u>	<u>16,976</u>	<u>3.5</u>
Total	\$583,834,245	\$601,512,191	3.0	\$617,394,148	2.7

Regent Mahood seconded the motion. THE
MOTION CARRIED WITH REGENT DORR
VOTING "NO".

(a) University of Iowa. The Board Office recommended the Board approve the Board Office recommendation of FY 1998 and FY 1999 general fund operating appropriations for the University of Iowa as follows:

	FY 1998		FY 1999	
	<u>Recommendation</u>	<u>% Increase</u>	<u>Recommendation</u>	<u>% Increase</u>
General University	\$218,947,856	3.1	\$225,752,841	3.1
University Hospitals	30,809,336	2.3	31,446,893	2.1
Psychiatric Hospital	7,482,070	0.6	7,511,136	0.4
Hospital School	6,245,852	1.1	6,286,955	0.7
Oakdale	3,124,961	5.6	3,304,541	5.7
Hygienic Laboratory	3,581,129	3.3	3,652,569	2.0
Family Practice	2,262,241	5.7	2,263,782	0.1
SCHS CA/HE	490,594	0.1	491,130	0.1
Special Purpose	<u>3,183,582</u>	<u>12.6</u>	<u>2,860,054</u>	<u>-10.2</u>
Total	\$276,127,621	3.0	\$283,569,901	2.7

The Board Office recommendations for state appropriation funding for FY 1998 of \$276,127,621 (+3.0 percent) and FY 1999 of \$283,569,901 (+2.7 percent) were exclusive of funds for Regents salary increases because salary policy will not be established until after collective bargaining agreements are concluded next spring.

Total incremental appropriations for FY 1998 and FY 1999 as recommended by the Board Office were as follows:

	FY 1998		FY 1999	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Salary Annualization	\$ 575,019	\$ 560,019	\$ 0	\$ 0
Inflation	2,956,925	2,218,250	3,071,147	2,305,497
Building Repairs	2,022,340	1,394,293	1,112,340	1,394,293

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Opening New Buildings	119,639	85,000	139,613	28,400
Improving Undergraduate Education	2,010,000	700,000	1,660,000	600,000
Child Care	60,000	60,000	60,000	60,000
Institutional Initiatives	<u>12,342,326</u>	<u>3,118,451</u>	<u>5,723,516</u>	<u>3,054,090</u>
	\$20,086,249	\$8,136,013	\$11,766,616	\$7,442,280

Institutional priorities have been followed but at lower funding levels.

The requested and recommended appropriations for institutional initiatives include the following:

	FY 1998 <u>Request</u>	FY 1999 <u>Recommendation</u>	FY 1998 <u>Request</u>	FY 1999 <u>Recommendation</u>
Library Enhancements	788,400	\$500,000	515,075	500,000
Instructional Equipment	1,400,000	0	1,400,000	400,000
Biosciences	800,000	500,000	300,000	300,000
Iowa Cntr for State-wide Elderly Health	271,000	0	256,000	0
Humanities Research Initiatives	165,000	150,000	300,000	165,000
Primary Health Care Initiative	330,000	250,000	300,000	250,000
Graduate and Professional Education	200,000	0	400,000	200,000
Technology-Based Teaching	1,830,000	500,000	1,830,000	820,000
Increasing and Maintaining Diversity	650,000	200,000	400,000	200,000
Indigent Patient Care Program	1,123,000	400,000	49,000	400,000
Transport & Housing to Iowa Medicaid	1,613,000	0	71,000	0
Hemophilia Treatment Center	200,000	0	100,000	0
Comprehensive Assistive Tech. Svcs.	52,900	0	110,100	0
Outpatient Biobehavioral Service	150,500	0	211,700	0
Family Practice	160,000	120,000	0	0
Oakdale Campus	0	100,000	0	120,000
Upgrade TB Testing - Hygienic Lab	200,000	0	0	0
Emerging Pathogenes SrvInce-UHL	140,000	0	66,000	0
Public Health Outreach Education-UHL	74,000	74,000	50,000	50,000
Special Purpose Initiatives	<u>2,194,526</u>	<u>324,451</u>	<u>(635,359)</u>	<u>(350,910)</u>
Totals	\$12,342,326	\$3,118,451	\$5,723,516	\$3,054,090

Salary annualization funding of \$560,019 for 1998 was recommended to pay merit salaries increments and benefits for which commitments have already been made.

Inflation funding for goods and services was recommended at 2 percent for general expenses and utilities and 8.5 percent for libraries.

Utilities funding reflected \$127,000 in FY 1998 and \$119,000 in FY 1999 for mandated increase in the cost of wastewater treatment as provided under a service agreement with the City of Iowa City.

Building repair funding was recommended based on a 100-year building life phased in over a four-year period.

Opening new building costs were based on the anticipated opening date of October 1997 for the Levitt Center for University Advancement.

Recommended funding for improving undergraduate education of \$700,000 for FY 1998 and \$600,000 for FY 1999 will be utilized for instructional technology, international programs, and student retention.

Funding of \$60,000 for child care for both FY 1998 and FY 1999 was recommended.

The final FY 1998 and FY 1999 Board Office recommendation reflected the following changes from the preliminary recommendation:

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	FY 1998	FY 1999
	<u>Increment</u>	<u>Increment</u>
Salary Annualization	\$110,000	\$ 0
Utilities (mandated sewer increase)	127,000	119,000
Building Repairs	102,418	102,418
Improving Undergraduate Education	700,000	600,000
Child Care	60,000	60,000
Library Enhancements	500,000	500,000
Biosciences	0	300,000
Humanities Research Initiatives	150,000	165,000
Primary Health Care	250,000	250,000
Graduate and Professional Education	0	200,000
Technology Based Teaching Initiative	0	220,000
Increasing and Maintaining Diversity	200,000	200,000
Indigent Patient Care Program	400,000	400,000
Oakdale Campus	100,000	120,000
Hygienic Laboratory	74,000	50,000
Family Practice Program	120,000	0
National Advanced Driving Simulator	38,330	0
Iowa Birth Defects Registry	0	351,000
State of Iowa Cancer Registry	<u>0</u>	<u>190,000</u>
Total	\$2,931,748	\$3,827,418

In addition to the institutional initiatives recommended to be funded through state appropriations, the following will be funded through increased tuition proceeds from the basic rate increases of \$4,014,700:

- Student financial aid;
- Modernization of classrooms other campus gathering places for students, and acquiring and upgrading instructional equipment;
- Library operations and technology support;
- Student academic and support services; and
- To leverage the request for state support of the university's technology-based teaching initiative.

Requested and Recommended Institutional General Fund Operating Appropriations for
FY 1998 and FY 1999

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	FY 1998		FY 1998	
	<u>Request</u>	<u>% Increase</u>	<u>Recommendation</u>	<u>% Increase</u>
General University	\$225,473,845	6.2	\$218,947,856	3.1
University Hospitals	33,546,151	11.3	30,809,336	2.3
Psychiatric Hospital	7,515,312	1.0	7,482,070	0.6
Hospital School	6,487,020	5.0	6,245,852	1.1
Oakdale	3,263,587	10.3	3,124,961	5.6
Hygienic Laboratory	3,931,359	13.4	3,581,129	3.3
Family Practice	2,302,983	7.6	2,262,241	5.7
SCHS CA/HE	490,858	0.2	490,594	0.1
Special Purpose	<u>5,066,742</u>	<u>79.2</u>	<u>3,183,582</u>	<u>12.6</u>
Total	\$288,077,857	7.5	\$276,127,621	3.0

	FY 1999		FY 1999	
	<u>Request</u>	<u>% Increase</u>	<u>Recommendation</u>	<u>% Increase</u>
General University	\$236,424,320	4.9	\$225,752,841	3.1
University Hospitals	34,285,379	2.2	31,446,893	2.1
Psychiatric Hospital	7,578,314	0.8	7,511,136	0.4
Hospital School	6,888,520	6.2	6,286,955	0.7
Oakdale	3,319,387	1.7	3,304,541	5.7
Hygienic Laboratory	4,079,359	3.8	3,652,569	2.0
Family Practice	2,305,283	0.1	2,263,782	0.1
SCHS CA/HE	491,658	0.2	491,130	0.1
Special Purpose	<u>4,472,253</u>	<u>-11.7</u>	<u>2,860,054</u>	<u>-10.2</u>
Total	\$299,844,473	4.1	\$283,569,901	2.7

President Coleman discussed some of the national recognition that has recently come to the University of Iowa. She stated that the recognition was not by accident but rather had resulted from investments decade after decade.

Sheldon Kurtz, President of the Faculty Senate, University of Iowa, addressed faculty salary policy. He stated that salaries must continue to be competitive and salaries must be fully funded. He thanked the Board for its support for faculty salaries.

Laura Reed, President of the Professional and Scientific Staff Council, addressed staff salary policy. Issues she raised included the need for a decompression policy, the opportunity to purchase quality health care at a competitive cost, and the need for ongoing staff development. She noted that adequate day care could increase productivity and decrease absenteeism.

President Newlin thanked Professor Kurtz and Ms. Reed for their presentations.

MOTION: The motion for this item can be found beginning on page 209 of these Minutes.

(b) Iowa State University. The Board Office recommended the Board approve the Board Office recommendation of the FY 1998 and FY 1999 general fund operating appropriations for Iowa State University as listed below:

	FY 1998		FY 1999	
	<u>Recommendation</u>	<u>% Increase</u>	<u>Recommendation</u>	<u>% Increase</u>
General University	\$173,680,012	3.5	\$179,483,416	3.3
Ag. Experiment Station	32,906,027	0.4	33,022,566	0.4
Cooperative Extension	20,390,221	2.0	20,483,960	0.5
Inst. Physical Research & Tech	4,550,351	7.8	4,576,979	0.6
Special Purpose Approps.	<u>2,461,030</u>	<u>1.1</u>	<u>2,488,527</u>	<u>1.1</u>
Total	\$233,987,641	3.0	\$240,055,448	2.6

	FY 1998		FY 1998	
	<u>Request</u>	<u>% Increase</u>	<u>Recommendation</u>	<u>% Increase</u>
General University	\$180,283,841	7.4	\$173,680,012	3.5
Ag. Experiment Station	32,961,523	0.6	32,906,027	0.4
Cooperative Extension	20,585,036	3.0	20,390,221	2.0
Inst. Physical Research & Tech	4,563,084	8.1	4,550,351	7.8
Special Purpose Approps.	<u>2,474,179</u>	<u>1.7</u>	<u>2,461,030</u>	<u>1.1</u>
Total	\$240,867,663	6.0	\$233,987,641	3.0

	FY 1999		FY 1999	
	<u>Request</u>	<u>% Increase</u>	<u>Recommendation</u>	<u>% Increase</u>
General University	\$193,608,479	7.4	\$179,483,416	3.3
Ag. Experiment Station	33,136,257	0.5	33,022,566	0.4
Cooperative Extension	20,724,981	0.7	20,483,960	0.5
Inst. Physical Research & Tech	5,102,827	11.8	4,576,979	0.6
Special Purpose Approps.	<u>2,515,219</u>	<u>1.7</u>	<u>2,488,527</u>	<u>1.1</u>
Total	\$255,087,763	5.9	\$240,055,448	2.6

The Board Office recommendation for state appropriations for Iowa State University for FY 1998 was \$233,987,641 (+3.0 percent) and FY 1999 was \$240,055,448 (+2.6 percent). The recommendation was exclusive of funds for Regents salary increases

because salary policy will not be established until after collective bargaining agreements are concluded next spring.

The final FY 1998 and FY 1999 Board Office recommendation reflected the following changes from the preliminary recommendation:

	FY 1998 <u>Increment</u>	FY 1999 <u>Increment</u>
Building Repairs	\$ 100,000	\$ 200,000
Graduate Assistants Tuition Scholarships	1,100,000	1,100,000
Reengineering Engineering Education	<u>1,000,000</u>	<u>1,000,000</u>
Total	\$2,200,000	\$2,300,000

Total incremental appropriations for FY 1988 and FY 1999 recommended by the Board Office were as follows:

	FY 1998		FY 1999	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Salary Annualization	\$ 238,940	\$ 238,940	\$ 0	\$ 0
Inflation	1,964,058	1,479,219	2,083,210	1,546,456
Building Repairs	1,699,128	1,250,000	1,699,128	1,073,910
Opening New Buildings	182,110	86,055	437,762	347,441
Improving Undergraduate Education	1,000,000	0	1,000,000	0
Child Care	150,000	0	150,000	0
Institutional Initiatives	<u>8,400,000</u>	<u>3,700,000</u>	<u>8,850,000</u>	<u>3,100,000</u>
Total	\$13,634,236	\$6,754,214	\$14,220,100	\$6,067,807

Salary annualization funding of \$238,940 for 1998 was recommended to pay merit salaries increments and benefits for which commitments have been made.

Inflation funding for goods and services was recommended at 2 percent for general expenses and utilities and 8.5 percent for libraries.

Building repair funding was recommended based on a 100-year building life phased in over a four-year period.

Opening new building costs are based on anticipated opening dates.

The total recommended appropriations for institutional initiatives include:

FY 1998	FY 1999
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	<u>Request</u>	<u>Recommend.</u>	<u>Request</u>	<u>Recommend.</u>
Research Capacity/Infrastructure	400,000	\$ 400,000	400,000	\$ 400,000
Tuition Scholarships for Graduate Assistants	2,200,000	1,100,000	2,200,000	1,100,000
Reengineering Engineering Education	2,000,000	1,000,000	1,500,000	1,000,000
Rural/Community Development Infrastructure	300,000	0	500,000	0
Distance/Extended Education	250,000	0	500,000	0
Value-Added Products Laboratory	250,000	0	500,000	0
Facilitating Tourism Through Iowa History	500,000	0	0	0
Fire Service Training	100,000	0	100,000	0
Leadership in Information Technology	1,500,000	600,000	2,500,000	600,000
ADA Compliance	150,000	0	150,000	0
Iowa Pork Industry Center	150,000	150,000	0	0
Iowa Beef Cattle Industry Center	150,000	150,000	0	0
Family Farm Financial Analysis Program	150,000	0	0	0
Technology Transfer	<u>300,000</u>	<u>300,000</u>	<u>500,000</u>	<u>0</u>
Total	\$8,400,000	\$3,700,000	\$8,850,000	\$3,100,000

Priorities in the institutional requests have been followed although the amounts have been changed.

In addition to the state appropriations recommended for institutional initiatives, institutional officials proposed to use increased tuition proceeds of \$3,064,600 for the following:

- Increasing student aid;
- Continuing implementation of the 4-year graduation plan and improvement of student retention and graduation rates;
- Expanding course offerings and instructional hours;
- Improving responsiveness to student needs and accommodating the needs of non-traditional students;
- Increasing instruction of introductory courses by senior faculty; and
- Upgrading instructional support facilities and increased student access to such facilities.

President Jischke stated he was very pleased that the earlier recommendations of the Board Office had been revised to include funding for graduate assistants and

reengineering engineering education. He said the overall recommendation of 3 percent was a very modest recommendation; however, it will be complemented by the tuition increase recommendation and the university's success in private fund raising. What was before the Board at this time was a request to the Governor and legislature. University officials were asking to be allowed to make a request for a 3 percent increase in appropriations. He noted that in order to achieve progress toward the university's goal to become the best land-grant university in the country requires more than just inflationary adjustments.

President Jischke said he believed the recommendation was consistent with state policy. Education and economic development have been priorities of Governor Branstad during his 14 years in office, and the legislature has endorsed those priorities. He said Iowa State University just completed its best year of private fund raising, in the amount of \$76 million. He believes there is a partnership at work to support the university by the state, private donors, and students. He believes that partnership is working.

Professor William Woodman, Iowa State University Faculty Senate, discussed faculty salary policy. He said he supported the comments of Professor Kurtz. Salary funds are needed to address issues such as counteroffers to faculty and gender equity. Sometimes faculty have to sacrifice salary funding to cover what has been bargained by the state for other employee groups. Younger staff have to be hired at salaries that lessen the gap between top and bottom salaries which can cause morale problems. He asked that salaries not be used as a counterweight against other needs of the university. On behalf of Iowa State University faculty, he expressed appreciation for the many years of Board support which has resulted in a model university system in this country. He encouraged the Regents to continue to steer a steady course.

Jim Meek, Chair of the Professional and Scientific Council, Iowa State University, thanked the Board for past efforts on behalf of staff salaries. He thanked President Jischke and Provost Kozak for open and continuous communication with staff. He said that 190 staff heard President Jischke describe the situation concerning state funding of salary policy. He was pleased for the partial solution. He referred to options for health insurance which would be presented by Iowa State University officials later in the meeting, and thanked the Board for consideration of the proposal. He then presented several issues for future consideration which included market equity, the relationship of merit to Professional and Scientific staff salaries, and professional development. Additional resources would help expand those efforts.

President Newlin thanked Professor Woodman and Mr. Meek for their presentations.

MOTION: The motion for this item can be found beginning on page 209 of these Minutes.

(c) University of Northern Iowa. The Board Office recommended the Board approve appropriation requests of \$78,516,337 for FY 1998 and \$80,763,041 for FY 1999 for the University of Northern Iowa.

The Board Office recommendation for state appropriations for operations for the University of Northern Iowa was \$78,516,337 (+3.2 percent) for FY 1998 and \$80,763,041 (+2.9 percent) for FY 1999. The recommendation was exclusive of funds for Regents salary increases because salary policy will not be established until after collective bargaining agreements are concluded next spring.

The final FY 1998 and FY 1999 Board Office recommendation reflected the following changes from the preliminary recommendation:

	FY 1998 <u>Increment</u>	FY 1999 <u>Increment</u>
Improving Undergraduate Education	\$400,000	\$500,000
Integrated System Technology	0	-400,000
Introduction of Special Services	0	500,000
Center of Excellence: Inclusive Education	150,000	0
Center of Excellence: Youth Development	0	150,000
Off Campus Centers	50,000	0
Institute for Decision Making	<u>50,000</u>	<u>50,000</u>
Total	\$650,000	\$800,000

Total incremental appropriations for FY 1998 and FY 1999 as recommended by the Board Office were as follows:

	<u>FY 1998</u> <u>Recommendation</u>	<u>FY 1999</u> <u>Recommendation</u>
Salary Annualization	\$ 90,000	\$ 0
Inflation	453,328	472,704
Building Repairs	435,000	435,000
Opening New Buildings	383,000	139,000
Improving Undergraduate Education	400,000	500,000
Institutional Initiatives	<u>650,000</u>	<u>700,000</u>
Total	\$2,411,328	\$2,246,704

Institutional priorities have been followed.

Salary annualization funding of \$90,000 for FY 1998 was recommended to pay merit salaries increments and benefits for which commitments have been made.

Inflation funding for goods and services was recommended at 2 percent for general expenses and utilities and 8.5 percent for libraries.

Building repair funding was recommended based on a 100-year building life phased in over a four-year period.

Opening new building costs were based on anticipated opening dates for the Wellness Recreation Center and the Performing Arts Center.

Funding of \$400,000 in FY 1998 and \$500,000 in FY 1999 was recommended for improving undergraduate education through the University of Northern Iowa's initiative "Enhancing the Student Learning Environment."

The recommended appropriations for institutional initiatives included:

	FY 1998		FY 1999	
	<u>Request</u>	<u>Recommendation</u>	<u>Request</u>	<u>Recommendation</u>
Integrated System Technology	\$1,000,000	\$400,000	\$ 0	\$ 0
Introduction of Special Services	0	0	1,000,000	500,000
Center of Excellence: Inclusive Education	500,000	150,000	175,000	0
Center of Excellence: Youth Development	0	0	500,000	150,000
Off Campus Centers	150,000	50,000	150,000	0
Institute for Decision Making	<u>100,000</u>	<u>50,000</u>	<u>100,000</u>	<u>50,000</u>
Total	\$1,750,000	\$650,000	\$1,925,000	\$700,000

In addition to the institutional initiatives recommended to be funded through state appropriations, tuition proceeds from increased rates amounting to \$1,142,400 will be used to:

- Increase student financial aid;
- Improve the undergraduate education experience by personalizing the learning environment including initiatives that increase personal contact between students and faculty/staff and address student acclimation to the learning process; and
- Improve the level of services to students through access to expanded data bases and information sources that support the instructional environment, student development, and student administrative support (i.e. advising, registration, financial aid status, academic progress toward degree completion).

President Koob stated that he was pleased with the operating appropriation request for the University of Northern Iowa. He said the Board Office recommendation was revised to meet each of the points he made at the July meeting. He noted that the United States has the finest higher education system in the world, a record of which the Iowa Board of Regents should be extraordinarily proud. In response to an issue raised earlier, he stated that he does believe the students are getting their money's worth.

President Koob stated that the Chair of the University of Northern Iowa Faculty Senate is prohibited by collective bargaining from making a presentation to the Board regarding

salary policy. He then introduced Maureen Daley of the Professional and Scientific Staff Council to discuss salary policy.

Ms. Daley stated that this was an exciting time at the University of Northern Iowa for Professional and Scientific staff. On average, staff spend 10 to 20 hours per week working with students. She said the staff council unanimously approved a salary policy based on merit for performance evaluation. She then discussed College and University Personnel Administrators administrative salary data which indicated that 96.1 percent of the university's Professional and Scientific staff salaries are at parity with benchmark positions; unfortunately, 12 positions are below parity, some as much as \$13,721 below average. She said the university is generally competing with salaries in the market area and not with benchmark institutions. She thanked the Regents for their continued support including the staff excellence awards.

President Newlin thanked Ms. Daley for her presentation.

MOTION: The motion for this item can be found beginning on page 209 of these Minutes.

(d) Iowa School for the Deaf. The Board Office recommended the Board (1) approve the adjusted budget for FY 1997 and (2) approve appropriation request of \$7,050,437 for FY 1998 and \$7,130,078 for FY 1999 for operation of the Iowa School for the Deaf.

Iowa School for the Deaf officials concluded an adjustment was needed to the FY 1997 budget approved by the Board in July, as a result of detailed analyses of supplies and building repairs, to reflect an increase in the building repair budget of \$35,727 to be funded through a reduction in the supply budget.

A transfer in source of funding occurred for two faculty positions that was not noted in the FY 1997 budget submission. Iowa School for the Deaf officials need to return the two positions to the federal funding source and to report to the Board on this issue in October.

The Board Office recommendation for state appropriations for operations for the Iowa School for the Deaf for FY 1998 was \$7,050,437 (+1.7 percent) and FY 1999 was \$7,130,078 (+1.1 percent).

The recommendation included \$15,000 for technology, an amount appropriated annually beginning in FY 1997 for five years by SF 2063.

The recommendation was exclusive of funds for Regents salary increases because salary policy will not be established until after collective bargaining agreements are concluded next spring.

The final FY 1998 and FY 1999 Board Office recommendation reflected the following changes from the preliminary recommendation:

	<u>FY 1998</u> <u>Increment</u>	<u>FY 1999</u> <u>Increment</u>
Building Repairs	-\$8,723	-\$8,723
Vocational Education	<u>30,000</u>	<u>0</u>
Total	\$21,277	-\$8,723

Incremental appropriations for FY 1998 and FY 1999 as recommended by the Board Office were as follows:

	<u>FY 1998</u> <u>Request</u>	<u>FY 1998</u> <u>Recommendation</u>	<u>FY 1999</u> <u>Request</u>	<u>FY 1999</u> <u>Recommendation</u>
Salary Annualization	\$ 11,420	\$ 11,420	\$ 0	\$ 0
Inflation (2%)	42,486	28,569	43,809	29,641
Building Repairs (formula)	52,865	50,000	52,865	50,000
Institutional Initiatives (voc. ed. equip.)	<u>309,055</u>	<u>30,000</u>	<u>344,103</u>	<u>0</u>
Total	\$415,826	\$119,989	\$440,777	\$79,641

The following requested institutional initiatives were not recommended by the Board Office:

	<u>FY 1998</u>	<u>FY 1999</u>
Technology	\$50,000	\$65,000
In-Service Staff Training	30,000	30,000
Library	15,000	15,000
Vocational Education	48,418	91,643
Behavioral Disordered Consultant	135,637	142,460

Salary annualization funding of \$11,420 for 1998 was recommended to pay merit salaries increments and benefits for which commitments have already been made.

Inflation funding for goods and services was recommended at 2 percent for general expenses and utilities and 8.5 percent for libraries.

Building repair funding was recommended based on a 100-year building life phased in over a four-year period.

Funding for institutional initiatives for FY 1998 reflected \$30,000 for equipment for vocational education.

The \$30,000 funding recommended in FY 1998 would replace the chemical-based instructional photography area with computerized stations to ensure student safety in light of recent environmental concerns and it will address the instructional needs of the increasingly diverse student population.

The Board Office recommended the reallocation of current funds to finance the other institutional initiatives requested by the school.

The state appropriation funding will be utilized in combination with funds from trusts, gifts, federal grants, and reallocations.

The recommendation for increased funding reflects a relatively stable enrollment, a need to control unit cost growth, and incentives for use of non-appropriated funds, while furthering the Board's support for attaining a level of quality comparable to that of the country's best schools with similar missions.

Superintendent Johnson stated that with minor adjustments, the information presented this month was the same as what was presented last month. School officials continue to focus on strategic planning. School officials will provide additional comments regarding the movement of funds for faculty positions, as recommended by the Board Office.

He introduced Julie Delka-Miller, faculty representative, and Lori Green, Professional and Scientific staff member, to discuss salary policy.

Ms. Delka-Miller presented the following faculty salary proposal: 1) a 6 percent increase across the board; 2) adjust the current scale to reflect new tracks and steps; 3) increase the \$2,000 cap for compensation of sick leave to \$4,000 in the retirement package; 4) amend the employer/employee contribution percentages of TIAA-CREF to provide for consistency with the three Iowa universities; and 5) establish a tuition assistance program to defray the high cost of college tuition for faculty members. She concluded by thanking the Regents for their continued strong support for the students and the Iowa School for the Deaf.

Regent Dorr asked for the reason for the current employer/employee contribution percentages of TIAA-CREF. Mr. Richey described the most recently stated legislative intent.

Regent Dorr asked whether the legislative intent was to leave the special schools contributions as they were. Mr. Richey responded that the legislators did not change the language last session at a time when they were making dramatic changes to the IPERS law.

Regent Dorr asked for Mr. Richey's recommendation regarding the faculty proposal to amend the employer/employee contribution percentages of TIAA-CREF to provide for consistency with the three Iowa universities. Mr. Richey recommended the Regents leave the policy as it was, based on legislative intent.

Ms. Green stated that as she interviewed the Professional and Scientific staff in anticipation of this presentation to the Board, she found that the majority were very pleased and thankful for the compensation they receive. She provided the Regents with a summary of the issues discussed. Requests included: 1) Could the TIAA-CREF contribution level be changed to the same percentage value that is used throughout the rest of the Regent system? 2) Is it possible to look at a more competitive insurance rate for ISD employees? 3) Could the financial incentives to improve faculty's sign language skills above their required level also be offered to Professional and Scientific staff? 4) If a Professional and Scientific employee obtains additional job-related certifications, licensures or education, can they be eligible for an additional salary increase, outside of the annual July 1 review process? She thanked the Regents for taking the time to review the above issues.

President Newlin thanked Ms. Green for her presentation.

MOTION: The motion for this item can be found beginning on page 209 of these Minutes.

(e) Iowa Braille and Sight Saving School. The Board Office recommended the Board approve appropriation request of \$3,956,608 for FY 1998 and \$3,992,030 for FY 1999 for operation of the Iowa Braille and Sight Saving School.

The Board Office recommendation for state appropriations for operations for the Iowa Braille and Sight Saving School for FY 1998 was \$3,956,608 (+2.2 percent) and FY 1999 was \$3,992,030 (+1.4 percent). The recommendation was exclusive of funds for Regents salary increases because salary policy will not be established until after collective bargaining agreements are concluded next spring.

The recommendation included \$15,000 for technology, an amount appropriated annually beginning in FY 1997 for five years by SF 2063.

The final FY 1998 and FY 1999 Board Office recommendation reflected the following changes from the preliminary recommendation:

	<u>FY 1998</u> <u>Increment</u>	<u>FY 1999</u> <u>Increment</u>
Building Repairs	-\$25,473	-\$25,473
Accounting System (non recurring)	<u>20,000</u>	<u>0</u>
Total	-\$ 5,473	-\$25,473

The reduction of the preliminary recommendation for building repairs resulted from a recalculation of the formula for this activity.

Incremental appropriations for FY 1998 and FY 1999 as recommended by the Board Office were as follows:

	<u>FY 1998</u> <u>Request</u>	<u>FY 1998</u> <u>Recommendation</u>	<u>FY 1999</u> <u>Request</u>	<u>FY 1999</u> <u>Recommendation</u>
Salary Annualization	\$ 10,116	\$10,116	\$ 0	\$ 0
Inflation (2%)	22,850	14,972	23,599	15,422
Building Repairs (formula)	25,820	40,000	25,820	40,000
Institutional Initiatives (accounting system)	<u>175,000</u>	<u>20,000</u>	<u>165,000</u>	<u>0</u>
	\$233,786	\$85,088	\$214,419	\$55,422

The following requested institutional initiatives were not recommended by the Board Office:

	<u>FY 1998</u>	<u>FY 1999</u>
Replace Accounting System	\$25,000	
Houseparent I Position	20,000	
Assistive Devices	32,000	
Staff Development Activities	40,000	
Vocational Program	38,000	
Educational Supplies		\$40,000
Staff Development Coordinator		50,000
Outreach Technical Assistance		75,000

Salary annualization funding of \$10,116 for 1998 was recommended to pay merit salaries increments and benefits for which commitments have already been made.

Inflation funding for goods and services was recommended at 2 percent for general expenses and utilities and 8.5 percent for libraries.

Building repair funding was recommended based on a 100-year building life phased in over a four-year period.

Funding for institutional initiatives for FY 1998 reflected \$20,000 non-recurring funding, which will be utilized in combination with \$25,000 in recommended reallocations and FY 1997 equipment funds to complete the purchase of a new accounting system for the school.

The state auditors made a written citation concerning the accounting computer system's internal control in the school's audit report issued in May 1996. The current system, purchased in 1983, is obsolete; parts and magnetic tape discs are no longer available. The upgrade will begin in FY 1997 with the purchase of one PC, one printer, software upgrades, and conversion from mainframe to PC. The requested funds will be used to complete the system upgrades currently in process by adding an additional printer, PCs, network file server, and accounting software modules. The conversion to PC is scheduled to be completed by July 31, 1996.

All but approximately \$120,000 of the school's state appropriation is used to fund on-campus enrollment, which would result in an estimated cost of \$71,048 per student in FY 1998 and \$71,704 per student in FY 1999.

The recommendation for increased funding reflected a relatively stable enrollment, a need to control unit costs growth, and incentives for use of non-appropriated funds and reallocations.

Superintendent Thurman stated that the school was about to be connected to the Iowa Communications Network. The school's technology plan is well underway. He thanked the Board for support for the school's new accounting system and the University of Northern Iowa for providing consultation. He introduced Larry Brennan, faculty representative, to discuss salary policy.

Mr. Brennan stated that faculty were requesting a 5 percent pay increase for the next contract year; two new tracks to the special schools faculty matrix; the ability to extend emergency leave from 5 days to 8 days per annum; and the ability to donate sick days from one faculty member to another faculty member whose sick leave has run out. He noted that the school has a 12 percent faculty vacancy rate. Many faculty members are taking courses for certification in the areas where faculty are missing.

MOTION: The motion for this item can be found beginning on page 209 of these Minutes.

(f) Regional Study Centers. The Board Office recommended the Board approve the Board Office recommendation of \$343,891 for FY 1998 and \$346,738 for FY 1999 as the operating appropriations request for the Regional Study Centers.

Recommended State of Iowa appropriation amounts for FY 1998 and FY 1999 were as follows:

Center	FY 1997 Iowa Appropriation Base	FY 1998 Recommended Amount from State of Iowa	FY 1999 Recommended Amount from State of Iowa
Quad-Cities Graduate Study Center	\$158,230	\$159,345	\$160,493
Tri-State Graduate Study Center	76,778	\$77,541	\$78,327
Southwest Iowa Regents Resource Center	106,109	\$107,005	\$107,918

The recommendations included a 2.0 percent general inflationary cost increase based on the Iowa share of the centers' FY 1997 non-personnel costs.

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

The FY 1997 appropriation for the Southwest Iowa Regents Resource Center included \$20,000 to establish an Internet connection and develop a computer lab to be located adjacent to the ICN room at the Iowa School for the Deaf and \$10,000 to increase the coordinator position from .5 FTE to .67 FTE.

The FY 1998 recommendation retains the \$20,000 used to fund the computer laboratory and Internet connection; these funds will be used to increase the positions of coordinator and secretary to approximately .87 FTE.

The Regional Study Centers requested the following amounts from the State of Iowa for FY 1998 and FY 1999:

Center	FY 1997 Iowa Appropriation Base	FY 1998 Requested Amount from State of Iowa	FY 1999 Requested Amount from State of Iowa
Quad-Cities Graduate Study Center	\$158,230	\$176,500	\$185,000

Tri-State Graduate Study Center	76,778	79,081	81,453
Southwest Iowa Regents Resource Center	106,109	122,687	123,987

The request of the Quad-Cities Graduate Study Center was based upon equal funding from the states of Illinois and Iowa.

The Tri-State Graduate Study Center requested funding based upon a 3 percent increase in income from all sources.

The request of the Southwest Iowa Regents Resource Center included an additional \$7,875 to make full-time the coordinator's and secretary's positions.

MOTION: The motion for this item can be found beginning on page 209 of these Minutes.

(g) Board Office. The Board Office recommended the Board approve the proposed budget request for the Board Office for fiscal years 1998 of \$1,513,256 and \$1,519,936 for 1999.

The proposed budget for fiscal year 1998 utilizes the base budget for fiscal year 1997 as adjusted by price inflation and by the recommendations of the Pappas study.

The proposed increase in appropriation was \$160,311 in FY 1998. The major component of the increase results from the Pappas study and recommendations. The salary and benefits for the Director of Policy recommended by the Pappas study was included at \$110,700. The request included \$40,000 for further computerization of the office. Both of these amounts are subject to adjustment based on the additional work to be done by the MGT, Inc., firm and the decision of the Board following that study. Salary annualization was requested along with a 2 percent increase for price adjustments.

The proposed budget for fiscal year 1999 assumed the same level of activity and expenditures as fiscal year 1998 as adjusted further by 2 percent for price inflation.

The 1997 base budget included the following programs financed from federal and institutional funds:

Eisenhower/Title II - \$18,225 which includes salary and benefits of \$7,500 and other expenses of \$10,725.

Facilities Officer - \$93,950, salary and benefits \$86,100 and other expenses of \$7,850.

Assistant Director Business and Finance - \$61,582 including an salary savings amount for FY 1997 of \$4,408.

The budgets for the Facilities Officer and the Assistant Director of Business and Finance are a part of the University of Iowa budgets, financed jointly by the institutions.

MOTION: The motion for this item can be found beginning on page 209 of these Minutes.

(h) Budget Priorities for Fiscal Years 1998 and 1999. The Board Office recommended the Board approve the priorities for twenty-five percent of each institution's adjusted base operating appropriations to fulfill state statutory requirements for budget development for FY 1998 and FY 1999.

The State of Iowa requires by statute that each institution develop modified base budgets for FY 1997 and for FY 1998, assuming that appropriations are reduced by 25 percent from the FY 1997 base budget level.

The 25 percent base reduction is built back by the institutions to the FY 1997 and FY 1998 request of the Board as a series of identified decision packages listed in priority sequence.

The amounts of the 75 percent base, 25 percent restoration and FY 1996 appropriation for the Regent institutions were as follows:

	<i>75% Base</i>	<i>25% Restoration</i>	<i>FY 1997 Appropriation</i>
University of Iowa*	\$198,272,589	\$66,090,863	\$264,363,452
Iowa State University**	\$168,599,900	\$56,199,967	\$224,799,867
University of Northern Iowa***	\$56,518,819	\$18,839,600	\$75,358,419
Iowa School for the Deaf	\$5,197,836	\$1,732,612	\$6,930,448
Iowa Braille & Sight Saving	<u>\$2,903,640</u>	<u>\$967,880</u>	<u>\$3,871,520</u>
TOTAL APPROPRIATIONS	\$431,492,784	\$143,830,922	\$575,323,706

*excludes special purpose and Primary Health Care

**excludes Special Purpose Appropriations

***excludes non-recurring FY 1997 appropriations being requested for continuation by the university as part of FY 1998 base budget: Teacher Education (\$171,845), Criminal Justice (\$175,000), Recycling and Reuse Center (\$239,745), and Metal Casting (\$160,000).

Each institution has described the impact of the 25 percent reduction and established priorities for restorations of the 25 percent reduction to appropriations at the FY 1997 level.

MOTION:

The motion for this item can be found beginning on page 209 of these Minutes.

President Newlin recognized Regent Kennedy to report on the two priority issue study groups that she chairs and which met in conjunction with this month's Board of Regents meeting.

Regent Kennedy first presented a report from the Child Care Priority Issue Study Group. She said the total child care budgets had grown beyond what the Regent members of the committee had previously realized. The budgets include a complex combination of revenues from other agencies and organizations. Much of the policies are made by other organizations, as well. There are specific guidelines either through licensure or legislative intent for child care. She said it is important to be mindful of the legislative intent and stewardship to students and staff. The study group members requested that institutional officials develop a joint presentation for the entire Board to assist everyone in understanding the complexity of the issues. The presentation will take place in February or March.

Regent Kennedy reported on the meeting of the Risk Management Priority Issue Study Group. The study group members authorized the universities to purchase additional fidelity bond and crime insurance that would cover a loss of property by employees up to \$10 million per incident. It would also cover loss of money and securities by non-employees up to \$2 million. The study group recommended to the Board the expansion of the vehicle self-insurance pool program to include comprehensive and collision coverage for vehicles owned by the institutions and a collision damage waiver coverage for rental vehicles, effective October 1, 1996. Regent Kennedy reported that study group members discussed the issue of property insurance deductible for general fund facilities. The Board Office will work with the three universities, the Department of Management, the State Auditor's Office and the Executive Council to again look at the Regents' deductible. The Board of Regents adopted a policy in 1994 with a \$5 million deductible. University officials requested a review of this issue and consideration of lowering the deductible to \$2 million. She said the matter would be brought back to the study group.

MOTION:

Regent Kennedy moved to (1) authorize the universities to purchase fidelity bond and crime insurance covering the loss of property by employees up to \$10 million per incident and covering the loss of money and securities by non-employees up to \$2 million per incident; and (2) expand coverage of the Regents' vehicle self-insurance pool program to include comprehensive and collision coverage for vehicles owned by the institutions and collision, damage waiver coverage for rental vehicles, effective October 1, 1996. Regent Lande seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

FIVE-YEAR CAPITAL IMPROVEMENT PLAN, FY 1998 - FY 2002. The Board Office recommended the Board (1) approve the Board Office recommendation of \$238,407,000 for the five-year capital improvement program for FY 1998 - FY 2002; (2) approve the five-year capital program of \$47,116,000 for the University of Iowa Hospitals and Clinics for FY 1998 - FY 2002; and (3) request that studies on the financing of utility projects at the universities be undertaken during the next year.

The Board was asked to approve two FY 1998 - FY 2002 capital programs: the five-year general/infrastructure fund capital improvement program and the five-year program for the University of Iowa Hospitals and Clinics.

The Board Office recommendation for the capital improvement program for FY 1998 - FY 2002 included projects totaling \$238,407,000; this amount was \$714,000 higher than the

amount included in the preliminary recommendations. The institutional strategic plans formed the basis for the recommendations. Major remodeling is emphasized.

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

The recommendations follow the priority ranking of projects as submitted by the institutions and were based upon the priority rankings in the FY 1997 - FY 2001 five-year plan approved by the Board last year.

University of Iowa and University of Northern Iowa officials requested funding for utility improvements; it was recommended that studies on the financing of utility projects at the universities be undertaken during the next year.

The five-year plan of the University of Iowa Hospitals and Clinics totals \$47,116,000 to be funded from hospital building usage funds.

President Coleman stated that she was pleased with the recommendation concerning medical education and biomedical research in FY 1999. Because of phasing and construction, phase 2 for the biology renovation will be critical in FY 2000. She said she was assured by Mr. Richey that the project would receive high priority. She informed the Regents that the change in the University of Iowa's priorities were the result of her reviewing the priorities that were in place upon her arrival which resulted in a slight shifting of priorities.

President Jischke said he was pleased with the recommendations and hoped that the funding would be realized.

President Koob said he was also pleased with the recommendations. The revised recommendations evened out the support for the University of Northern Iowa that he mentioned at last month's meeting, which he appreciated.

Superintendent Johnson expressed support for the Board Office recommendations.

Superintendent Thurman stated that the old heating plant on the campus of Iowa Braille and Sight Saving School was scheduled for demolition. School officials are determining the correct manner in which to dispose of the property.

MOTION: Regent Kennedy moved to (1) approve the Board Office recommendation of \$238,407,000 for the five-year capital improvement program for FY 1998 - FY 2002; (2) approve the five-year capital

program of \$47,116,000 for the University of Iowa Hospitals and Clinics for FY 1998 - FY 2002; and (3) request that studies on the financing of utility projects at the universities be undertaken during the next year. Regent Pellett seconded the motion. MOTION CARRIED UNANIMOUSLY.

CAPITAL IMPROVEMENT REQUESTS FOR FY 1999. The Board Office recommended the Board (1) approve the capital improvement request of \$80,421,000 for FY 1999 and (2) approve tuition replacement appropriation requests of \$28,000,000 for FY 1998 and \$28,400,000 for FY 1999 with the understanding that FY 1998 needs will be reassessed by November 15, 1996.

The Board Office recommendation of \$80,421,000 for the FY 1999 capital improvement request was unchanged from the preliminary recommendation presented to the Board in July 1996.

The institutions did not request capital funding for FY 1998 per the agreement with Governor Branstad last January; the Board Office recommendations did not include funding for that year.

A capital program of \$66.1 million was recommended by the Governor and authorized by the 1996 General Assembly for the FY 1997 - FY 1998 period.

The institutional strategic plans formed the basis for the FY 1999 recommendation.

The Board Office recommendation continued the theme of previous years by placing a high priority on environmental health and safety and deferred maintenance; these needs are addressed individually and as part of major remodeling projects.

Mr. Richey stated that an additional recommendation to what was presented in July was the Board's first consideration of tuition replacement. He noted that the amount will change as the legislative session draws nearer.

Regent Pellett referred to the statement in the docket memorandum that the Lakeside Laboratory master plan calls for it to become a year-round facility. She asked whether the Regents had voted to winterize and make it a year-round facility.

Mr. Richey stated that what was presented would, over time, allow completion of the winterization of two buildings.

Regent Pellett questioned whether it was appropriate to include those items in the master plan at this time. Mr. Richey responded that what was proposed was what the Board agreed to do heretofore.

Director Barak stated that the year-round program was one of the goals approved by the Board 5 years ago. Laboratory officials have been working toward that end. The building that is being constructed will be a year-round facility.

Regent Tyrrell asked for the status of the local community's fund raising. Director Barak responded that as of the last report that he had seen, approximately \$500,000 had been raised to date toward the goal of \$700,000. In addition, a Lakeside Laboratory alumni group is raising funds for one of the classrooms. Community officials expect to have the fund-raising campaign completed by December.

MOTION: Regent Arenson moved to (1) approve the capital improvement request of \$80,421,000 for FY 1999 and (2) approve tuition replacement appropriation requests of \$28,000,000 for FY 1998 and \$28,400,000 for FY 1999 with the understanding that FY 1998 needs will be reassessed by November 15, 1996. Regent Smith seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

ANNUAL REPORT ON ENERGY CONSERVATION. The Board Office recommended the Board receive the report and encourage the institutions to continue to pursue actively energy conservation measures and other methods to control energy costs.

To date approximately \$18.3 million (1996 dollars) have been spent on these identified projects, saving approximately \$4.5 million annually (1996 dollars).

There are a number of energy conservation measures yet to be completed at the University of Iowa Hospitals and Clinics; the UIHC five-year plan (FY 1998 - FY 2002) includes energy conservation projects totaling almost \$3.4 million.

Board of Regents institutions have significantly reduced their energy consumption on a BTU per gross square foot basis since FY 1979, the peak consumption year. Consumption has declined by approximately 15.1 percent per gross square foot at the University of Iowa, 38.7 percent at Iowa State University, and 13.0 percent at the University of Northern Iowa.

The reductions since 1979 are even more impressive than the data show since there has been a growth in the installation of energy-consuming research equipment, desk-top personal computers, and air-conditioning equipment.

To control energy costs the institutions also contract for fuel at the lowest cost, use the least cost fuel if there is a choice, and schedule air handling units around class schedules.

Additional identified projects should be undertaken if they are cost effective and feasible. Further review of identified projects should be done to ascertain if they are feasible.

Potential residence hall system ECMs should continue to be reviewed since savings which result from completion of these projects can help minimize future residence hall rate increases.

Regent Dorr asked if the institutions were required to perform an annual energy conservation audit process. Mr. Richey responded that the annual energy conservation report was still required by law.

Regent Dorr questioned the most effective way to comply with the law. Mr. Richey said the issue was how often the institutions would do reviews if it was not required by law. The legislature included the requirement for annual reporting when it authorized the institutions to issue bonds and notes for energy conservation projects. He said this was an incentive for the institutions to be continuously conscious of energy conservation.

Regent Pellett asked Superintendent Johnson to address the increased energy usage at Iowa School for the Deaf. Superintendent Johnson responded that this was the first year for the summer program. There are also more people using the campus facilities, such as the Southwest Iowa Regents Resource Center and the Iowa State University extension center. The additional activities on campus have increased the energy usage; however, the school also receives rent from those entities.

Mr. Richey stated that Board Office staff would be undertaking a review of the usage of facilities at both of the special schools by other than the institutions to determine whether those activities were self supporting. Regent Pellett said that was a good idea.

ACTION: President Newlin stated the Board received the report and encouraged the institutions to continue to pursue actively energy conservation measures and other methods to control energy costs, by general consent.

REPORT OF THE BANKING COMMITTEE. The Board Office recommended the Board accept the report of the Banking Committee and approve the modification of institutional banking relationships and the lease purchase of equipment for the University of Iowa.

Regent Kennedy reported on the meeting of the Banking Committee which took place on September 17. She stated that representatives of Wilshire Associates gave a good presentation on the mix of investments of endowment funds. They recommended a change in the asset allocation mix. The Banking Committee approved an interim change where some funds were shifted. The Banking Committee members wanted to allow a couple of months for Board members to review the materials and have an opportunity to provide input on any long-range change. She said the Wilshire representatives spoke with the Banking Committee members about the recent acquisition by Merrill Lynch of Hotchkis and Wiley; the Board approved the utilization of Hotchkis and Wiley in October 1995. The Banking Committee authorized a search process to be initiated for an alternative investment manager.

Regent Kennedy stated that the Banking Committee received investment and cash management reports for the fiscal year ended June 30, 1996. She noted that in October and November the three endowment fund managers would be giving presentations on their performance to the Banking Committee. She said the Banking Committee received audit reports including a state audit report of the University of Northern Iowa, internal audit reports of the University of Iowa and the University of Iowa Hospitals and Clinics, and the State of Iowa single audit.

Actions taken by the Banking Committee which Regent Kennedy indicated also required Board approval included a modification of institutional banking relationships to add a Muscatine bank and lease purchase financing with IBM of a University of Iowa Hospitals and Clinics mainframe computer system upgrade.

MOTION:

Regent Kennedy moved to accept the report of the Banking Committee and approve the modification of institutional banking relationships and the lease purchase of equipment for the University of Iowa. Regent Dorr seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSTAIN: Lande.

ABSENT: None.

MOTION CARRIED.

ANNUAL REPORT ON PHASED AND EARLY RETIREMENT. The Board Office recommended the Board (1) receive reports from the institutions on the operation of the PHASED AND EARLY RETIREMENT programs in 1995-96; (2) establish a present value rate of 5.57 percent for lump sum payout under the EARLY RETIREMENT program for fiscal year 1997; and (3) approve the following revision to the Early Retirement Policy:

Health and Dental Insurance: The employer will pay its standard share for health and dental insurance until the employee is eligible for Medicare benefits. This contribution shall be equal to the amount contributed for an active employee in the same plan.

The PHASED RETIREMENT program, in place since 1982, provides incentives that allow employees, age 57 and over with 15 years of service, to reduce the percentage of their appointments during a five-year period. During fiscal year 1996, a net saving of \$821,698 was realized through the phased retirement program. Savings are reallocated within the institutions.

The EARLY RETIREMENT program, in place since 1986, provides incentives that allow employees with 15 years of service to retire as early as age 57. A net saving of approximately \$9.0 million will realized during the period of time the fiscal year 1996 retirees are participating in the early retirement program. Savings are reallocated within the institutions.

The original programs were reviewed, and modified programs were put into place July 1, 1992, for a five-year period ending June 30, 1997. In June 1996, the Board reviewed the two programs and renewed them without change for the period July 1, 1997, through June 30, 2002.

As mandated by the federal Age Discrimination in Employment Act (ADEA), mandatory retirement at age 70 for tenured faculty was eliminated effective December 31, 1993. Current faculty age distributions show that the three universities have less than one percent of faculty age 70 and above.

Age distributions for employees age 55 and above are:

Faculty	25 percent
P&S	9 percent
Merit	14 percent

Employees 65 and above:

Faculty	4 percent
P&S	0.65 percent
Merit	1.33 percent.

MOTION: Regent Tyrrell moved to (1) receive reports from the institutions on the operation of the PHASED AND EARLY RETIREMENT programs in 1995-96; (2) establish a present value rate of 5.57 percent for lump sum payout under the EARLY RETIREMENT program for fiscal year 1997; and (3) approve the revision to the Early Retirement Policy, as presented. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

BOARD OFFICE PERSONNEL TRANSACTIONS. The Board Office recommended the Board approve the Register of Personnel Transactions which included the following items:

Resignation: DENNIS O'ROURKE, Associate Director, Business and Finance, effective August 9, 1996.

Appointment: CAMILLE VALLEY, Assistant Director, Business and Finance, at an annual salary of \$43,000 per annum effective August 5, 1996.

Appointment: PAM ELLIOTT, Associate Director, Business and Finance, at an annual salary of \$63,000 per annum effective September 9, 1996.

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

CONTRACT FOR COLLECTIVE BARGAINING SERVICES. The Board Office recommended the Board (1) approve the agreement between the Iowa State Board of Regents and Joseph E. Flynn, as presented, and (2) appoint the management bargaining team for negotiations with the United Faculty of the University of Northern Iowa and graduate assistants at the University of Iowa.

The contract with Mr. Flynn provides for his services as chief negotiator for the Board in bargaining with the University of Northern Iowa faculty, the University of Iowa graduate assistants and for such other labor relations services as may be required by the Board.

The two-year contract provides for a fee for Mr. Flynn for his services at the rate of \$109 per hour for all time expended in reference to his duties for the Board of Regents during the first year and \$113 per hour during the second year of the contract, an increase of 3.8 percent and 3.7 percent respectively. The amount per hour under the contract expiring at the end of this month is \$105.

The proposed contract runs from October 1, 1996, through September 30, 1998 (or until obligations are fulfilled).

Regent Lande stated that the Banking Committee had recently received a presentation by bond counsel prior to taking action to approve a contract renewal. He said he found the presentation to be helpful. He asked when was the last time such a presentation was done with the Board's union negotiator.

Mr. Richey said those discussions are held in executive session.

Regent Lande questioned whether the Board should hear from Mr. Flynn prior to voting to extend his contract. Mr. Richey stated that doing so would require the Board to reconvene in executive session.

Regent Pellett stated that Regent Lande's point was well taken. She asked that when this matter next comes before the Board that they have such a presentation. They may choose to make a change.

MOTION:

Regent Arenson moved to (1) approve the agreement between the Iowa State Board of Regents and Joseph E. Flynn, as presented, and (2) appoint the management bargaining team for negotiations with the United Faculty of the University of Northern Iowa and graduate assistants at the University of Iowa. Regent Dorr seconded the motion. MOTION CARRIED UNANIMOUSLY.

APPEAL BY EMPLOYEE. The Board Office recommended the Board affirm the decision of the University of Iowa and deny the appeal on the basis of the record.

This was an appeal of an institutional decision to deny an employee's request for compensation for a suggestion made to the Department of Radiology at the University

of Iowa. The appeal was reviewed by the Attorney General's Office who states that proper procedures were followed and a careful review of the matter was conducted, and recommends that the appeal be denied.

MOTION: Regent Dorr moved to affirm the decision of the University of Iowa and deny the appeal on the basis of the record. Regent Kennedy seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

APPOINTMENTS TO COMMITTEES AND ORGANIZATIONS. The Board Office recommended the Board (1) ratify appointments by President Newlin of Regent James H. Arenson to committees and organizations, as follows; and (2) approve appointments to special schools advisory committees, as follows.

Appointments to committees and organizations for James H. Arenson are Iowa Coordinating Council for Post-High School Education (alternate), Affirmative Action Study Group and Information Systems Technology Study Group.

Appointments to the Iowa Braille and Sight Saving School Advisory Committee are:
(Each individual to be appointed to a 2 year term)

SUI	Kathryn C. Gerken, Associate Professor of Education
UNI	Richard H. Stinchfield, Coordinator of Outreach Activities, Center for Energy and Environmental Education
Consumer	R. Creig Slayton, Director, Iowa Department for the Blind
Consultant	Mary Jean Sanspree, Research Professor and Director of Law Vision Community Programs, University of Alabama at Birmingham, School of Optometry

Appointments to the Iowa School for the Deaf Advisory Committee are:
(Each individual to be appointed to a two year term)

SUI Kay E. Gfeller, Professor of Music and Speech Pathology/Audiology
UNI Richard H. Stinchfield, Coordinator of Outreach Activities, Center for
Energy and Environmental Education
Consumer Shirley Hicks, Teacher, ISD
Consultant Pending

ACTION: President Newlin stated the Board, by general consent, (1) ratified appointments by President Newlin of Regent James H. Arenson to committees and organizations and (2) approved appointments to special schools advisory committees, as presented.

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

October 16-17, 1996	University of Northern Iowa	Cedar Falls
November 20-21	Iowa State University	Ames
December 17		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

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.

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, September 18, 1996.

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

Registers of Personnel Changes for June and July 1996 which included an additional faculty promotion and tenure action.

Approve the commissioning of JEFFREY M. VAN SLYKE and ROSS H. STUCKEY as special security officers. Both individuals have successfully completed training at the Iowa Law Enforcement Academy.

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

COLLEGIATE PLANNING PRESENTATION. The Board Office recommended the Board receive the presentations.

One recommendation of the Pappas report was to reinstitute in modified form the past practice of inviting campus deans periodically to address the Board and share information about planning initiatives and other major developments in their colleges.

The University of Iowa hosted the first 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.

The following two deans made presentations to the Board:

- Dr. Gary C. Fethke, Dean of the College of Business Administration, talked about his college's effort to create a new instructional environment that uses advanced

instructional technologies to enhance teaching. Such technologies can support initiatives to reward effective teaching and more effectively align faculty with undergraduate teaching needs.

- Dr. David C. Johnsen, Dean of the College of Dentistry, discussed recent innovations in computer technologies and their impact on the teaching of dentistry and clinical education. Sophisticated computer simulations are one way in which technology is changing the process of teaching in this professional field.

Dean Fethke reviewed teaching issues and initiatives of the College of Business Administration, describing activities that have taken place in the college during the last few years. He noted that the University of Iowa enjoys one of the most state-of-the-art business buildings in the country. Teaching assistants are not utilized in the college; all teaching is done by faculty. He said faculty emphasis is on teaching versus research. He invited the Regents to visit the college.

Regent Dorr stated that Dean Fethke's presentation was one of the most refreshing presentations he has heard in a long time, especially in light of the emphasis on teaching. He said he was familiar with business people associated with the college's efforts and their impressions are very favorable. He commended Dean Fethke's efforts.

Regent Pellett stated that she has heard that the University of Iowa College of Business Administration does a superb job at helping students to find employment.

Dean Johnsen discussed dentistry, the vision for the college, and the college's programs and facilities. He said this is a good time to be in dentistry. There is a steady growth in patient demand. Almost 4 out of 5 practicing dentists in the state of Iowa were trained at the University of Iowa. He said the students finished third in recent national board exams. The college is developing additional advanced general practice programs in the state.

President Newlin expressed the Board's appreciation to Dean Fethke and Dean Johnsen for their reports.

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

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended (1) that the Register of Capital Improvement Business Transactions for the University of Iowa be approved and (2) in order to proceed with the Engineering Building Modernization/Addition project, authorize the university to raze the

former Materials Testing Laboratory and Broadcasting Services wings of the Engineering Building, and the Public Safety Building.

APPROVAL OF PROGRAM STATEMENTS AND DESIGN DOCUMENTS

Engineering Building Modernization/Addition

The project architects and Dean Miller of the College of Engineering presented the schematic design and answered questions.

University officials proposed to achieve the project goals with the remodeling and renovation of approximately 78,520 square feet of space in the existing engineering building, and construction of a 69,000 square feet addition to the facility. The new building will consist of a north-south oriented wing of five levels, a mechanical penthouse, and a four-story entry/classroom node just to the south of the existing building. The new building, which will be connected to the existing building at a number of locations, will provide state-of-the-art classrooms, new instructional laboratories, some increase in "generic" modern research laboratories, and greatly improved circulation within the expanded complex. It will also provide new student study areas and community space, which are almost totally absent from the existing building.

The partial renovation of the existing building (approximately 55 percent of the total space) will provide for a new learning center, improvements in teaching, research, and office space, improvements to building access and circulation, upgrade of the building utility systems, and retrofit to address basic code requirements. It is the intent of the renovation project to resolve all fire safety issues and fundamental deferred maintenance throughout the existing building.

The majority of the new construction will need to be completed prior to the renovation of the existing building. Activities can then be relocated to the addition, permitting the orderly remodeling of the existing building.

The construction estimate for the project based on the schematic design is approximately \$2 million dollars in excess of the anticipated project funding of \$26,500,000. In order to accommodate the project budget, the university plans to shell the top floor of the addition. This floor will contain 18,627 square feet of space and will be completed as teaching and research laboratories and classrooms when additional funds become available.

Construction of the new building will require the demolition of two older wings of the existing building and the temporary office structure which houses the university's Public Safety Department. The two wings to be razed include the former Materials Testing Laboratory (6,576 square feet) and Broadcasting Services (15,668 square feet). The

Public Safety Building (4,012 square feet) is located adjacent to the existing Engineering Building. The university will relocate the Department of Public Safety and elements of Broadcasting Services.

Chapter 7.11 of the Board of Regents Procedural Guide requires Board approval to dispose of any real property valued in excess of \$1,000. In accordance with Board procedures, the university requests approval to raze these structures in order to proceed with the project.

This project will be funded as a partnership of the state, the university, the College of Engineering, and from private gifts to the university. Any additional private gifts would be applied either to furnishing and equipping the building or completing the top floor of the addition.

PROJECT DESCRIPTIONS AND BUDGETS

Engineering Building Modernization/Addition \$26,500,000

Preliminary Budget

Construction	
Phase I	\$ 17,105,000
Phase II	4,228,000
Asbestos Removal	150,000
Design, Inspection and Administration	3,090,000
Art in State Buildings	132,000
Contingencies	<u>1,795,000</u>
TOTAL	\$ 26,500,000

Source of Funds:

FY 1997 Capital Appropriation	\$ 14,140,000
FY 1996 Capital Appropriation	200,000
Treasurer's Temporary Investments and Building Renewal Funds	4,100,000
College of Engineering Gifts, Grants and Earnings	<u>8,060,000</u>
TOTAL	\$ 26,500,000

University officials requested approval of the project budget in the amount of \$26,500,000 for the Engineering Building Modernization/Addition project.

Hillcrest Residence Hall--Renovate Restrooms--Phase 2 \$909,000
Source of Funds: Dormitory Improvement Reserves

Preliminary Budget

Construction	\$ 723,300
Design, Inspection and Administration	113,300
Contingencies	<u>72,400</u>
TOTAL	\$ 909,000

University officials requested approval of a project description and budget for Phase 2 of the project which will renovate the toilet and shower rooms serving floors one through five in the center section of the residence hall. The facilities will be brought up to current Uniform Building Code and Americans with Disabilities Act design standards.

Medical Laboratories--Remodel Rooms 339 and 340A \$569,000
Source of Funds: College of Medicine Gifts and Earnings

Preliminary Budget

Construction	\$ 455,200
Design, Inspection and Administration	68,300
Contingencies	<u>45,500</u>
TOTAL	\$ 569,000

University officials requested approval of a project description and budget to convert rooms 339 and 340A of the Medical Laboratories from a student lounge into a molecular biology research laboratory suite. The 1,720 square foot completed area will include a large laboratory, support rooms, walk-in refrigerator and two offices. The project will include reconfiguration of the existing space, installation of new casework and a fume hood, and upgrade of mechanical systems.

Hospital Parking Ramp No. 2--Remodel Offices, Provide Cambus Access
and Lobby Area

Original Budget \$770,000
Revised Budget

\$898,550

Project Budget

	Original Budget <u>Feb. 1996</u>	Revised Budget <u>Sept. 1996</u>
Construction	\$ 607,200	\$ 766,700
Design, Inspection and Administration	101,500	101,500
Contingencies	<u>61,300</u>	<u>30,350</u>
TOTAL	<u>\$ 770,000</u>	<u>\$ 898,550</u>

Source of Funds:

Parking Improvement and Replacement Funds	\$ 434,000	\$ 476,938
University Hospitals Building Usage Funds	<u>336,000</u>	<u>421,612</u>
TOTAL	<u>\$ 770,000</u>	<u>\$ 898,550</u>

University officials requested approval of a revised project budget in the amount of \$898,550, an increase of \$128,550, to allow award of an alternate to the construction contract. In July 1996 the construction contract for this project was awarded to Mid-America Construction Company of Iowa in the amount of \$650,200. Due to budget considerations, the contract award did not include the canopy for the bus stop area. University officials indicated they would consider the future award of one of two alternates for a canopy system.

University officials requested approval of Alternate #2b in the amount of \$166,000 for a glass and steel canopy system to provide shelter for the bus stop. The revised project budget will allow award of the alternate which will be included as a change order to the construction contract with Mid-America Construction Company.

* * * * *

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

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ARCHITECT/ENGINEER AGREEMENTS

Engineering Building Modernization/Addition \$1,807,000
Neumann Monson, Iowa City, IA/Anshen + Allen, Los Angeles, CA

University officials requested approval to enter into an agreement with Neumann Monson and Anshen + Allen to provide full design services for the project. The agreement provides for a fee of \$1,807,000, including reimbursables. The fee reflects a \$191,000 credit for work that was included in the preliminary design contract.

Hillcrest Residence Hall--Renovate Restrooms--Phase 2 \$78,300
Rohrbach Carlson, Iowa City, Iowa

University officials requested approval to enter into an agreement with Rohrbach Carlson to provide design services for the project. The agreement provides for a fee of \$78,300, including reimbursables.

English-Philosophy Building--Information and Environmental \$16,046
Improvements--Asbestos Abatement
Shive-Hattery, Iowa City, Iowa

University officials requested approval to enter into an agreement with Shive-Hattery to provide design services for the asbestos abatement portion of this project. The agreement will provide for preliminary and final design services, preparation of project specifications, bidding and award assistance, air monitoring, and construction observation as needed for the asbestos abatement portion of the project.

The agreement provides for a fee of \$16,046, including reimbursables.

Amendments:

Campus Fiber Optic Network--Project 9--Oakdale Campus Amendment #2
\$11,240
Shive-Hattery, Iowa City, Iowa Amendment #3
\$10,250

University officials requested approval of Amendments #2 and #3 to the agreement with Shive-Hattery for the Campus Fiber Optic Network--Project 9. Amendment #2 will provide design services to include direct buried telecommunication cable in the fiber optic

ductbank construction. Amendment #3 will provide design services to extend the exterior conduit pathway to the Oakdale Correctional Facility.

Amendments #2 and #3 will not result in an increase in the total project budget.

Schaeffer Hall--Remodeling and Renewal--Utilities Amendment #3
\$19,825
Shive-Hattery, Iowa City, Iowa

University officials requested approval of Amendment #3 to the agreement with Shive-Hattery for the utilities portion of the Schaeffer Hall--Remodeling and Renewal project. The amendment will provide for the re-design and preparation of construction documents for an alternate size electrical vault. The amendment will also provide for revised documents to relocate the electrical vault from an area west of Schaeffer Hall to an area south of the building.

Amendment #3 will not result in an increase in the total project budget.

Campus Fiber Optic Network--Project 4 Amendment #4
\$13,750
Shive-Hattery, Iowa City, Iowa

University officials requested approval of Amendment #4 to the agreement with Shive-Hattery for the Campus Fiber Optic Network--Project 4. The amendment will provide for additional services to include added entrance facilities and telecommunication closets. Amendment #4 will not result in an increase in the total project budget.

Campus Fiber Optic Network--Campus-Wide Infrastructure Remodeling \$24,250
MIS Labs, Watertown, WI

Campus Fiber Optic Network--Project 9 \$16,600
Shive-Hattery, Iowa City, Iowa

Campus Fiber Optic Network--Project 5 \$10,480
MIS Labs, Watertown, WI

Campus Fiber Optic Network--Project 6, Contract 7 \$10,430
Shive-Hattery, Iowa City, Iowa

Campus Fiber Optic Network--Project 6
\$9,400
MIS Labs, Watertown, WI

Arts Campus--Lot 55 Expansion

\$8,506

Shive-Hattery, Iowa City, Iowa

Campus Fiber Optic Network--Project 7

\$5,000

MIS Labs, Watertown, WI

Campus Fiber Optic Network--Phase A

\$4,484

MIS Labs, Watertown, WI

Electrical Distribution Improvements--West Campus

\$2,990

Shive-Hattery, Iowa City, Iowa

Hospital Parking Ramp No. 2--Remodel Offices, Provide Campus Access

\$2,250

and Lobby Area

The Durrant Group, Dubuque, Iowa

Institute of Hydraulic Research Modeling Facility--Oakdale Campus

\$1,672

Shive-Hattery, Iowa City, Iowa

CONSTRUCTION CONTRACTS

Hospital Parking Ramp No. 2--Remodel Offices, Provide Campus
Access and Lobby Area

\$650,200.00

Award to: Mid-America Construction Company of Iowa, Iowa City, Iowa
(3 bids received)

Trowbridge Hall--Correct Fire Safety Deficiencies

\$373,000.00

Award to: McComas-Lacina Construction Company, Iowa City, Iowa
(4 bids received)

Bowen Science Building--Remodel Core 1-100

\$312,500.00

Award to: Unzeitig Construction Company, Cedar Rapids, Iowa
(6 bids received)

University Hospitals and Clinics--Code Compliant Exit Passageway
and Elevator Vestibule

\$311,510.00

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Award to: McComas-Lacina Construction Company, Iowa City, Iowa
(4 bids received)

Campus Fiber Optic Network--Project 8, Near West, North and South
\$279,449.00

Campus--Construction of Ductbank and Entrance Facilities--Contract 2,
Exterior Ductbank

Award to: McComas-Lacina Construction Company, Iowa City, Iowa
(4 bids received)

Water Plant--Laboratory Remodeling
\$276,000.00

Award to: Apex Construction Company, Iowa City, Iowa
(4 bids received)

Campus Fiber Optic Network--Project 6, Contract 7--
\$220,832.00

Telecommunication Closets

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

Wendell Johnson Speech and Hearing Center--Correct Fire Safety \$187,978.00
Deficiencies

Award to: Hinman Contractor and Builder, Muscatine, Iowa
(4 bids received)

Campus Fiber Optic Network--Project 6, Contract 1--Medical Research
\$103,762.00

Center

Award to: Communications Engineering Company, Iowa City, Iowa
(2 bids received)

Campus Fiber Optic Network--Project 6, Contract 4--Medical Education
Building

\$84,089.10

Award to: Communications Engineering Company, Iowa City, Iowa
(2 bids received)

CHANGE ORDERS TO CONSTRUCTION CONTRACTS

Hospital Parking Ramp No. 2--Remodel Offices, Provide Campus \$166,000
Access and Lobby Area

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

University officials requested approval of Change Order #1 in the amount of \$166,000 to the agreement with Mid-America Construction Company of Iowa. The change order will provide for the inclusion of Alternate #2b with the construction contract, which will install a glass and steel canopy system to provide shelter for the bus stop.

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

University Hospitals and Clinics--OB/Gyn Clinic Exam Room and Corridor Refurbishing
McComas-Lacina Construction Company, Iowa City, Iowa

Library Area Master Plan--North Pedestrian Walkway and South Plaza
Developments--South Parking Lot
Metro Pavers, Iowa City, Iowa

Jefferson Building--Correct Fire Safety Deficiencies
Selzer-Werderitsch Construction Company, Iowa City, Iowa

University Hospitals and Clinics--Pomerantz Family Pavilion Pneumatic Tube System
Installation
Hillebrand Construction of the Midwest, Davenport, Iowa

University Hospitals and Clinics--Radiation Oncology Simulator Remodeling
Selzer-Werderitsch Construction Company, Iowa City, Iowa

University Hospitals and Clinics--Diverter Room Development
Mid-America Construction Company of Iowa, Iowa City, Iowa

University Hospitals and Clinics--Pre-Surgical Workup and Same Day Surgery
Admission Facility
McComas-Lacina Construction Company, Iowa City, Iowa

College of Medicine Administration Building Completion
Hillebrand Construction of the Midwest, Davenport, Iowa

Expansion of the East Campus Chilled Water Distribution System--Exterior Pipe
Installation
Hurst and Sons Contractors, Waterloo, Iowa

Quadrangle--Renovate Restrooms--Phase 2
Unzeitig Construction Company, Cedar Rapids, Iowa

University Hospitals and Clinics--Dietary Dock Building Life Safety Code Renovation

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Hillebrand Construction of the Midwest, Davenport, Iowa

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<u>Medical Education Building--Upgrade Research Laboratories</u>	<u>\$1,099,223.08</u>
<u>Medical Education Building--Construct Undergraduate Teaching Laboratory</u>	<u>\$1,980,380.75</u>
<u>West Campus Chilled Water Plant Expansion--Final Phase</u>	<u>\$1,936,478.65</u>
<u>Phillips Hall Remodeling</u>	<u>\$1,426,703.62</u>
<u>Hawkeye Storage Parking Lot</u>	<u>\$565,053.85</u>
<u>Currier Hall--Remodel First Floor South</u>	<u>\$66,649.47</u>

MOTION:

Regent Lande moved (1) that the Register of Capital Improvement Business Transactions for the University of Iowa be approved and (2) in order to proceed with the Engineering Building Modernization/Addition project, authorize the university to raze the former Materials Testing Laboratory and Broadcasting Services wings of the Engineering Building, and the Public Safety Building. 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.

LEASE OF PROPERTIES. The Board Office recommended the Board approve the following leases:

With The Patient Education Institute for its use of 1,121 square feet of office space at the rate of \$560.50 per month (\$6 per square foot, \$6,726 per year) for a one-year period;

With Oakdale Systems for its use of 2,254 square feet of space at the rate of \$1,127 per month (\$6 per square foot, \$13,524 per year) for a one-year period;

With Bio-Research Products, Incorporated, for its use of 800 square feet of space at the rate of \$1,200 per month (\$18 per square foot, \$14,400 per year) for a one-year period; and

With the United States of America for the Veteran's Administration Hospital's use of parking space in the Finkbine Commuter Lot at the rate of \$5,950 per month (\$35 for 170 parking permits) for a one-year period.

Associate Director Racki noted that the Attorney General's Office had reviewed the lease with the Veteran's Administration Hospital and indicated that it was in order.

MOTION:

Regent Dorr moved to approve leases, as presented. Regent Kennedy 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.

PROPERTY TRANSFER FROM IOWA DEPARTMENT OF TRANSPORTATION. The Board Office recommended the Board authorize acceptance of a 0.48 acre parcel of land on behalf of the University of Iowa to be transferred from the Iowa Department of Transportation.

University of Iowa officials requested approval to accept a 0.48 acre parcel of land from the Iowa Department of Transportation. The parcel is located along the southwest boundary of the Oakdale Campus adjacent to Highway 965 on the east side.

The parcel is a remnant of a highway right-of-way which was acquired by the Department of Transportation for the construction of Highway 965.

The property transfer will allow the university to create a more prominent entrance to the Oakdale Campus and the Oakdale Research Park in accordance with the Oakdale Master Plan. Plans include the construction of a pond and other landscaping improvements.

The Department of Transportation has agreed to transfer the property to allow the university to complete the improvements.

MOTION: Regent Mahood moved to authorize acceptance of a 0.48 acre parcel of land on behalf of the University of Iowa to be transferred from the Iowa Department of Transportation. Regent Pellett 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.

UNIVERSITY OF IOWA HOSPITALS AND CLINICS MAINFRAME COMPUTER SYSTEM UPGRADE. The Board Office recommended the Board approve purchase of Mainframe Computer System Upgrade for the University of Iowa Hospitals and Clinics.

The estimated purchase cost for the mainframe computer system upgrade for University of Iowa Hospitals and Clinics is \$4,200,000 and is to be financed on a three-year monthly installment payment basis.

University of Iowa Hospitals and Clinics' current mainframe computer was installed in June 1987 and last updated in October 1995. During the past five years, the systems workload has increased nearly 80 percent. Several significant new applications are projected to increase the current workload another 30 percent by spring of 1997.

New technological developments allow capacity expansions in smaller increments than in the existing mainframe, thus allowing more cost effective scheduling of future upgrades.

A number of mainframe replacement alternatives were evaluated; the most cost effective alternative identified was the acquisition of two IBM Parallel Transaction Server (PTS) machines, which cost 40 to 50 percent less than the older technology mainframes with comparable capacity.

The upgrade will be accomplished in a three-part installation over five months: Install one IBM 9672-R83 PTS (Oct. 1996). When the upgrade is completed, the total workload capacity will be approximately 70 percent greater than the current capacity.

MOTION: Regent Tyrrell moved to approve purchase of Mainframe Computer System Upgrade for the University of Iowa Hospitals and Clinics. Regent

Arenson seconded the motion. MOTION
CARRIED UNANIMOUSLY.

MEETING OF THE IOWA STATE BOARD OF REGENTS AS THE BOARD OF TRUSTEES OF THE UNIVERSITY OF IOWA HOSPITALS AND CLINICS. The Board Office recommended the Board approval the proposed revisions in the bylaws and receive the reports.

University of Iowa Hospitals and Clinics officials gave its quarterly report to the Board of Regents in the Board's role as trustees of the hospital.

The agenda consisted of:

- A quarterly update on UIHC operations, programs and finances.
- A report on UIHC delegated governance functions and proposed bylaws revisions.
- Evaluation of progress in achieving UIHC strategic planning goals.
- Update on clinical enterprise activities.

President Coleman stated that Vice President Skorton was heading up the review of the Vice President for Health Sciences office. In the meantime, he has taken an active role in the operation of the health science units.

Director Howell discussed the U.S. News and Word Report 1996 report of the best hospitals in the country, and the University of Iowa Hospitals and Clinics' rankings. Kiplinger's personal finance magazine in September 1996 reported that Iowa City is the second healthiest place to live in the United States. It also reported that UIHC's bone-marrow transplant program is considered one of the best in the world.

With regard to UIHC operations and finances, Director Howell said UIHC officials managed to achieve a favorable operating margin this past year. He reported that 269 full-time positions are being eliminated. All staff whose positions are being eliminated have been notified; staff received 3 months to 1 year advance notice. No one whose position was eliminated has lost employment due to not being provided alternatives. There are 25 individuals who have chosen not to pursue an opportunity with University of Iowa Hospitals and Clinics .

Regent Dorr stated that University of Iowa Hospitals and Clinics officials were to be commended for their efforts to assist employees.

Regent Lande asked whether some of the personnel took positions offering less than the compensation they had been receiving. Director Howell responded affirmatively, noting that some individuals went from management to patient care.

President Newlin asked when was the last time that the UIHC had been the target of picketing. Director Howell responded that the only picketing was what took place in the spring.

Mr. Yerington reviewed the operating statistics and financial performance measures.

Regent Dorr asked about the expansion of managed care relationships. Mr. Yerington responded that all Iowa Medicaid mental health patients are in a managed care program.

Mr. Yerington discussed the indigent patient care appropriation versus the value of services provided for 1995-96. He stated that one of the areas for which UIHC officials asked for appropriations was the hemophilia patient need. UIHC also provides free transportation to any Iowa Medicaid patient which results in free housing. He said \$1.6 million in appropriations was requested to be sought from the legislature for those services.

Mr. Richey stated that the Board will have to address seriously the Medicaid patient transportation issue. The Board Office did not recommend the appropriation request this year because the hospital still has a margin on those patients.

Mr. Staley reviewed UIHC operations with the Regents. He said there is continued growth in out-patient specialty care units as well as an increase in the case mix index.

William Hesson and Robert Rodnitzky reported on delegated governance functions and proposed Bylaws revisions.

MOTION: Regent Arenson moved to approve the proposed revisions in the bylaws. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

Director Howell reviewed the progress that had been made in achieving UIHC strategic planning goals, which he said was significant. With regard to activities of the clinical enterprise, he provided the Regents with a letter as an example of letters that are provided to staff on an occasional basis to inform them of progress being made. The Regents were also provided with the biography of Judith Calhoun who joined the UIHC in mid-August as Director of Planning and Marketing for the Clinical Enterprise.

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, September 18, 1996.

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

Register of Personnel Changes for June 1996 which included seven requests for early retirement and two requests for phased retirement.

Presented for the Board's information were the following appointments:

CARLA ESPINOZA, Assistant Vice President for Human Resource Services, as Interim Affirmative Action Officer, effective August 1, 1996, with an administrative increment of \$12,000 for this additional responsibility (for a total annual salary of \$97,000) and

STANLEY R. JOHNSON, Vice Provost for Extension and Director of the Cooperative Extension Service, effective September 15, 1996, at an annual salary of \$150,000.

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

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

PROJECT DESCRIPTIONS AND BUDGETS

Library Storage Building/Administrative Services Facilities Office Building

	Original Budget
<u>\$5,800,000</u>	
	Amended Budget
<u>\$6,370,000</u>	

	<u>Project Budget</u>		
	Original Budget <u>July 1996</u>	Amended Budget <u>Sept. 1996</u>	
Contracts	\$ 4,050,400	\$ 4,620,400	
Design Services	288,000	300,350	
Project Administration	192,000	192,000	
University Services	6,000	6,000	
Miscellaneous	10,000	10,000	
Landscaping	15,000	15,000	
Utility Extensions	630,000	630,000	
Fixed Equipment	200,000	200,000	
Art Work	29,000	29,000	
Project Reserve	<u>379,600</u>	<u>367,250</u>	
TOTAL	<u>\$ 5,800,000</u>	<u>\$ 6,370,000</u>	
Source of Funds:			
Treasurer's Temporary Investments	\$ 3,050,000	\$ 3,050,000	
General University Funds	1,750,000	1,750,000	
Parking System	400,000	400,000	
Facilities Overhead Use Allowance	250,000	820,000	
Telecommunications Improvement and Extension Funds	<u>350,000</u>	<u>350,000</u>	
TOTAL	<u>\$ 5,800,000</u>	<u>\$ 6,370,000</u>	

University officials requested approval of a revised project budget in the amount of \$6,370,000 which reflected an increase in the project scope for the Administrative Services Facilities Office Building.

Since approval of the project description and budget, university officials have continued to refine the project scope and cost estimates in consultation with the architect. In

order to provide the necessary space to meet the project objectives and to more effectively consolidate the operations to be relocated, university officials proposed to increase the size of the Administrative Services Facilities Office Building to approximately 48,420 square feet at an additional cost of \$570,000. This will result in an additional bay which will be incorporated into the center of the building. Due to the efficient manner in which the bay has been designed, the additional space can be added to the project at an estimated \$65 per gross square foot.

In addition to housing all functions of the Purchasing and Extension Communications offices, the additional space will allow the university to relocate all of the Administrative Data Processing operations to the new facility. Math learning labs will be developed in the space to be vacated by ADP in Pearson Hall. The labs will aid in improving student math skills, which is a critical area for student retention. Additionally, space in Atanasoff Hall currently occupied by Administrative Data Processing will be vacated to permit the departments of Statistics or Computer Science to accommodate additional research activities.

Regent Dorr referred to the additional \$570,000 expenditure and asked whether or not the work to be accomplished was included in the initial project statement. Vice President Madden responded that the additional work was not included as part of the original project. The additional expense will accommodate completely vacating some buildings in the core of the campus to provide improved student services. University officials had not originally anticipated vacating the lower level of Pearson Hall which in the current plan would provide mathematical and computer laboratories for undergraduate students. Personnel who are currently housed in the nuclear engineering building will also be vacated as a result of the elimination of the nuclear engineering program. This will be done to accommodate the growth in other College of Engineering programs. He stressed that the primary goal of the project was still to improve undergraduate student services in the core of the campus.

* * * * *

University officials reported 4 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

Maple-Willow-Larch Commons--Telecommunications Upgrade \$11,000
Brown Engineering Company, West Des Moines, Iowa

University officials requested approval to enter into an agreement with Brown Engineering Company to provide engineering services for the project. The agreement provides for a fee of \$11,000, including reimbursables.

Amendments:

Seed Science Building Addition Amendment #2 \$4,840
RDG Bussard Dikis, Des Moines, Iowa

University officials requested approval of Amendment #2 in the amount of \$4,840 to the agreement with RDG Bussard Dikis. The amendment will provide additional design services for upgrading the germination lab ventilation systems and installing a new ventilation hood in room 17.

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

CONSTRUCTION CONTRACTS

Telecommunications--Cable Enhancement--FY 1996 \$133,450
Award to: Brown Brothers, Des Moines, Iowa
(2 bids received)

Athletic Office and Training Facility--Olsen Building--Phase 3--North Construction

Bid Package #1 (Demolition, Earthwork, Concrete) \$248,000
Award to: Taylor Ball, West Des Moines, Iowa
(1 bid received)

Bid Package #5 (Drywall, Flooring, Painting) \$94,390
Award to: Kennedy and Company, Des Moines, Iowa
(1 bid received)

Beef Nutrition and Management Research Farm--Research Housing
Renovation, Sitework and Concrete \$399,000
Award to: Ames Trenching and Excavating, Ames, Iowa
(2 bids received)

Seed Science Building Addition \$357,000
Award to: Harold Pike Construction Company, Ames, Iowa
(4 bids received)

Animal Science Teaching Farm--Swine Facilities \$558,171
Award to: Sorem Sales, Nevada, Iowa
(2 bids received)

Intensive Livestock Research and Instruction Facilities--Kildee/Meats Lab Addition

Bid Package #1 (Demolition) \$29,580
Award to: Con-Struct, Ames, Iowa
(2 bids received)

Bid Package #2 (Electrical) \$11,150
Award to: Nikkel and Associates, Ames, Iowa
(2 bids received)

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Parking Lots 28 and 29 Improvements \$424,441.78

Dairy Industry--Addition and Renovation--Phase 3 \$4,380,850.05

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

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

University officials requested approval to extend its lease as lessee with Determan Investments for 1,400 square feet of space in Mason City, Iowa, for use by the

Department of Human Development and Family Studies at the rate of \$640 per month (\$5.49 per square foot, \$7,680 per year) for a one-year period.

University officials requested approval to renew its lease as lessee with Dayton Road Development Corporation for 2,401 square feet of office space located in Ames, Iowa, for use by the Small Business Development Center at the rate of \$2,401 per month (\$12 per square foot, \$28,812 per year) for a one-year period.

University officials requested approval of a Memorandum of Agreement with the Memorial Union for the Administrative Data Processing Department's use of 861 square feet of space at the rate of \$1,216.16 per quarter (\$5.65 per square foot, \$4,864.64 per year) for a nine-month period.

University officials requested approval to enter into an easement agreement with GTE Midwest, Incorporated, for its use of a portion of land on the McNay Research Farm in Lucas County for the installation of an underground telephone cable.

MOTION:

Regent Dorr moved to approve leases, as presented. Regent Kennedy 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.

DEVELOPMENT OF INSURANCE BENEFIT PLANS. The Board Office recommended the Board (1) ratify the executive director's administrative authorization to Iowa State University to proceed in negotiations with various health care carriers and vendors regarding the modification of its current health care benefits program and (2) receive the report from Iowa State University on the proposed changes in the university benefit plans and negotiations with health insurance carriers. The report will be referred to the Employee Health Insurance Priority Study Group for its review and comment in October.

Iowa State University officials provided the Board with a status report on the development of its health insurance benefit plans. This action was in response to the direction of the Regents Employee Health Insurance Priority Group and the full Board.

Through competitive bidding, Iowa State University has identified carriers and programs that provide the opportunity for future cost containment and that are financially consistent with the fiscal year 1997 budget approved by the Board in July.

The executive director authorized the university to proceed with negotiations for new health insurance contracts. The Employee Health Insurance Priority Study Group will meet in October and will receive a detailed progress report.

The plans provide incentives to staff members to consider various managed care options as well as continuing an indemnity plan similar to the existing PAT 1000 plan.

The university is designing a flexible benefit program consistent with IRS Section 125 which will be implemented January 1, 1997, for faculty, professional and scientific employees and other non-contract employees.

The university's fiscal year 1997 budget was based on a 14 percent increase in the cost of health insurance through January 1, 1997. If additional savings could not be realized through redesign of benefit plans, the premiums would have to be adjusted in January with the additional costs being the responsibility of the employee.

Regent Pellett, Chair of the Employee Health Insurance Priority Study Group, indicated that the group will meet prior to the October Board of Regents meeting to review the proposed program and will provide comment to the Board on the issue. The Board will be asked at the October meeting to approve the implementation of the plan. In the meantime negotiations with selected vendors will continue with anticipated completion in late October or early November.

University officials indicated they will keep the Executive Director informed of the progress of the negotiations with the vendors.

Regent Dorr asked whether this was the first time that Iowa State University has operated under a section 125 sanction plan. Vice President Madden responded that there has been a limited program on the campus called a flexible benefit program through which employees can pay health insurance premiums on a pre-tax basis. The proposal would expand and broaden the choices.

Regent Dorr asked what impact the proposal might have relative to child care. He assumed that child care would be incorporated under the section 125 effort, as well, which may impact the overall benefits structure.

Vice President Madden responded that one of the IRS-permitted pre-tax deductions is for dependent care; therefore, that option is currently available to employees.

Regent Dorr asked whether that option would become part of a comprehensive employee benefit cafeteria plan. Vice President Madden responded that section 125 plans are basically a use-it-or-lose-it operation. Employees can have funds deducted during the calendar year but they have to expend all of those funds by the end of the year or they lose the contribution.

Regent Dorr said he would like to know how that is all going to fit together relative to the overall scope of the university's benefit plans.

President Newlin asked that university officials provide a report in response to Regent Dorr's questions in October.

MOTION:

Regent Arenson moved to (1) ratify the executive director's administrative authorization to Iowa State University to proceed in negotiations with various health care carriers and vendors regarding the modification of its current health care benefits program and (2) receive the report from Iowa State University on the proposed changes in the university benefit plans and negotiations with health insurance carriers. The report will be referred to the Employee Health Insurance Priority Study Group for its review and comment in October. Regent Smith seconded the motion.
MOTION CARRIED UNANIMOUSLY.

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

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday, September 18, 1996.

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

Registers of Personnel Changes for July and August 1996.

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

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

PROJECT DESCRIPTIONS AND BUDGETS

Bartlett Hall--Building Envelope \$340,000
Source of Funds: Residence System Improvement Funds

Project Budget

Contracts/Purchase Orders	\$ 300,000
Consultant/Design Services	25,500
Contingencies	<u>14,500</u>
TOTAL	<u>\$ 340,000</u>

University officials requested approval of a project description and budget to continue the tuckpointing, cleaning and sealing of the masonry walls of Bartlett Hall. In addition, the project will include dormer and roof repairs to the facility.

Bartlett Hall--Fire Safety Improvements \$400,000
Source of Funds: Residence System Improvement Funds

Project Budget

Contracts/Purchase Orders	\$ 344,000
Consultant/Design Services	23,000
Contingencies	<u>33,000</u>
TOTAL	<u>\$ 400,000</u>

University officials requested approval of a project description and budget to provide fire safety improvements in the Bartlett Hall residence hall. The improvements will include installation of fire-labeled doors between the corridor and all residence rooms, and the completion of fire safety modifications to the residence rooms located adjacent to the stairwells in the south wings of the building. These improvements are in response to the State Fire Marshal's inspection.

* * * * *

University officials reported three new projects with budgets of less than \$250,000. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university. Included was a project description and budget for the President's Residence, as follows.

President's Residence \$20,000
Source of Funds: Building Repair Funds

Project Budget

Contracts/Purchase Orders	\$ 19,000
Contingencies	<u>1,000</u>
TOTAL	<u>\$ 20,000</u>

University officials requested approval of a project description and budget in the amount of \$20,000 to provide improvements for the south and east porches of the President's Residence. The project will consist of enclosing the porches with aluminum windows and doors. Project design will be provided by the university.

ARCHITECT/ENGINEER AGREEMENTS

Bartlett Hall--Fire Safety Improvements \$21,000
Thorson Brom Broshar Snyder, Waterloo, Iowa

University officials requested approval to enter into an agreement with Thorson Brom Broshar Snyder to provide design services for the project. The agreement provides for a fee of \$21,000, including reimbursables.

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Price Laboratory School--Field House Replacement \$2,155,398.45
Cardinal Construction, Waterloo, Iowa

FINAL REPORTS

UNI-Dome South Entrance \$317,356.73

MOTION: Regent Tyrrell moved to approve the university's capital register, as presented. 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 the University of Northern Iowa. There were none.

IOWA SCHOOL FOR THE DEAF

The following business pertaining to Iowa School for the Deaf was transacted on Wednesday, September 18, 1996.

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

Register of Personnel Changes for July 1996.

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

AGREEMENT FOR SPEECH/LANGUAGE PATHOLOGY SERVICE WITH AREA EDUCATION AGENCY 13. The Board Office recommended the Board approve the agreement.

Iowa School for the Deaf officials requested approval of an agreement by which Iowa School for the Deaf provides speech/language pathologist services to Loess Hills Area Education Agency (AEA 13). In return for providing these services, Iowa School for the Deaf can expect to receive salary and benefits reimbursement of up to \$5,020 and mileage reimbursement of up to \$5,000 from the AEA.

Loess Hills AEA 13 and ISD have contracted together for several years to provide various services to Iowa School for the Deaf students and to students in AEA 13.

The Attorney General's office reviewed the contract and recommended that some modifications be made in future contracts. Iowa School for the Deaf officials have been apprised and will undertake to review contracts based on these observations.

MOTION: Regent Kennedy moved to approve the agreement. Regent Dorr seconded the motion.
MOTION CARRIED UNANIMOUSLY.

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

PROJECT DESCRIPTIONS AND BUDGETS

Iowa School for the Deaf officials presented the following project descriptions and budgets for Board approval. All of the projects will be coordinated through Iowa State University.

Boys Residence--Third Floor \$65,000
Source of Funds: FY 1997 Building Repair Funds

School officials requested approval of a project description and budget to install 20 fire-rated interior doors and gypsum board in the Boys Residence. The project will also provide upgraded kitchen, restroom and laundry facilities for the residence programs.

Southwest Iowa Regents Resource Center--Phase I \$30,000
Source of Funds: State Extension and Continuing Education Council

School officials requested approval of a project description and budget to create a 3,000 square foot instructional area for university class offerings of the Southwest Iowa Regents Resource Center. The area will be developed on the second floor of the Careers Center.

Phase I will include electrical and HVAC work, installation of framing and gypsum board, and interior finishing.

Superintendent's Residence--Replace Internal Electrical Distribution System \$3,500
Source of Funds: FY 1997 Building Repair Funds.

School officials requested approval of a project description and budget to install a new electrical distribution system in the Superintendent's Residence. The current system is more than 50 years old and requires replacement due to its age and the need to balance and separate the electrical circuits. A necessary component of this project will be the replacement of approximately ten ceiling light fixtures on the second floor.

MOTION:

Regent Tyrrell moved that the Register of Capital Improvement Business Transactions for the Iowa School for the Deaf be approved. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Wednesday, September 18, 1996.

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

Register of Personnel Changes for the period of June 16 to August 24, 1996.

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

APPROVAL OF POLICY ON TUITION REIMBURSEMENT FOR EMPLOYEES. The Board Office recommended the Board approve a revision to the Board of Regents Procedural Guide section 4.10(J) as noted below.

Section 4.10 of the Board of Regents Procedural Guide delineates the educational assistance program at Iowa Braille and Sight Saving School and Iowa School for the Deaf. Iowa Braille and Sight Saving School officials requested that section 4.10(J) of the Regents Procedural Guide be amended to clarify how months of service are counted following completion of professional development courses for which staff members have been reimbursed tuition.

The proposed amendment is printed in italics in the text below:

4.10(J) School Employment Requirements

Any staff member who receives reimbursement for tuition shall agree to remain in the active employment of the school after the receipt of such benefit for a period of one month for every unit of credit earned or to repay to the State of Iowa such

compensation as [the staff member] shall have received. *Months shall be counted beginning with the first full month of active employment following the official semester closing date of the institution wherein the employee is enrolled.*

Any staff member granted such leave shall agree either to return to the institution granting such leave for a period of not less than two years or to repay to the State of Iowa such compensation as [the staff member] shall have received during such leave. (Code 262.9[12]; Board of Regents Minutes June 18-19, 1980, pp. 703-705)

The amendment is to clarify the counting procedure to be used by school administrators in administering the program as delivery structures of college and university professional development opportunities have become more flexible.

MOTION: Regent Lande moved to approve a revision to the Board of Regents Procedural Guide section 4.10(J), as presented. Regent Arenson seconded the motion. MOTION CARRIED UNANIMOUSLY.

REPORT ON GRANT FROM CARVER FOUNDATION. The Board Office recommended the Board receive the oral report.

Ms. Dotta Hassman, Media Coordinator of Iowa Braille and Sight Saving School, made a presentation to the Board about a grant that the school has received from the Carver Foundation.

Iowa Braille and Sight Saving School officials were recently informed that a request for \$105,000 to increase the availability of materials for students who use Braille as a learning medium was approved by the Carver Foundation.

This grant is to:

- establish identical production hardware and software in local and area educational agencies that serve students who use Braille as a learning medium; and
- train personnel at the local and area educational agencies to use the hardware and software.

Iowa Braille and Sight Saving School, local school districts, and area education agencies will cooperate to purchase computer workstations and software to increase educational opportunities for blind students and to train staff to assist the students at the workstations. No additional staff will be hired because of this grant. Training will occur using current Iowa Braille and Sight Saving School staff.

Iowa Braille and Sight Saving School officials were congratulated for obtaining this grant.

Superintendent Thurman stated that he had been very interested in the discussion the previous afternoon regarding distance education. He said the issues at Iowa Braille and Sight Saving School were similar to those of the universities but in microcosm. School officials are proud of receiving the grant from the Carver Foundation. He introduced Ms. Dotta Hassman who he said was responsible for writing the grant proposal.

Ms. Hassman stated that in her position as media coordinator in the outreach department she is responsible to students both on campus and off campus. She described the process for the development of the grant proposal, noting that the students are the winners.

Superintendent Thurman stated that with today's technology a book can be scanned into a computer and reproduced in Braille instantaneously.

President Newlin congratulated Iowa Braille and Sight Saving School officials on their achievement.

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

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended that the Register of Capital Improvement Business Transactions for the Iowa Braille and Sight Saving School be approved.

PROJECT DESCRIPTIONS AND BUDGETS

Iowa Braille and Sight Saving School officials presented the following project description and budget for Board approval. The project will be coordinated through Iowa State University.

Bowling Alley Roof Replacement \$30,000
Source of Funds: FY 1997 Building Repair Funds

School officials requested approval of a project description and budget in the amount of \$30,000 to replace the roof of the bowling alley. The existing roof, which was installed in 1979, is showing serious signs of membrane delamination resulting from the separation of the skin of the insulation board from the insulation core. In addition, most

of the wall flashings and several curb flashings are unadhered and are bridging from the wall surface.

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Iowa Braille and Sight Saving School--Boiler Replacement

Young Plumbing and Heating, Waterloo, Iowa

Johnson Controls, Inc., Cedar Rapids, Iowa

FINAL REPORTS

Iowa Braille and Sight Saving School--Boiler Replacement

\$311,311.06

MOTION:

Regent Kennedy moved that the Register of Capital Improvement Business Transactions for the Iowa Braille and Sight Saving School be approved. Regent Mahood seconded the motion.
MOTION CARRIED UNANIMOUSLY.

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; to conduct a strategy meeting of a public employer for collective bargaining pursuant to the Code of Iowa section 20.17(3); 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 Dorr moved to enter into closed session. Regent Arenson 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 4:11 p.m. on Wednesday, September 18, 1996, and recessed therefrom at 4:50 p.m.; reconvened at 4:52 p.m. and recessed therefrom at 5:30 p.m.; and reconvened at 5:35 p.m. and adjourned therefrom at 7:14 p.m. on that same date.

GENERAL
September 17-18, 1996

ADJOURNMENT.

The meeting of the State Board of Regents adjourned at 7:14 p.m., on Wednesday, September 18, 1996.

R. Wayne Richey
Executive Director