

The State Board of Regents met on Tuesday, June 14, 1994, at the University of Iowa, Iowa City, Iowa. The following were in attendance:

June 14

Members of State Board of Regents

Mr. Berenstein, President	All sessions
Mr. Collins	All sessions
Mr. Dorr	Excused
Ms. Furgerson	All sessions
Mrs. Hendricks	All sessions
Mrs. Johnson-Matthews	All sessions
Dr. Newlin	All sessions
Mrs. Pellett	All sessions
Dr. Tyrrell	All sessions

Office of the State Board of Regents

Executive Director Richey	All sessions
Deputy Executive Director Barak	All sessions
Director Specter	All sessions
Director Volm	Excused at 2:30 p.m.
Associate Director Houseworth	All sessions
Associate Director Racki	All sessions
Compliance Officer Maxwell	Excused at 2:30 p.m.
Minutes Secretary Briggie	All sessions

State University of Iowa

President Rawlings	All sessions
Provost Nathan	All sessions
Vice President Manasse	All sessions
Vice President Rhodes	All sessions
Vice President True	All sessions
Associate Vice President Small	All sessions
Director Yanecek	All sessions
General Counsel Schantz	All sessions

Iowa State University

President Jischke	Excused at 2:06 p.m.
Provost Kozak	Excused at 2:06 p.m.
Vice President Madden	Excused at 2:06 p.m.
Associate to the President Adams	Excused at 2:06 p.m.
Director Jensen	Excused at 2:06 p.m.

University of Northern Iowa

President Curris	Excused at 2:11 p.m.
Provost Marlin	Excused at 2:11 p.m.
Vice President Conner	Excused at 2:11 p.m.
Vice President Follon	Excused at 2:11 p.m.
Executive Assistant to the President Stinchfield	Excused at 2:11 p.m.
Director Chilcott	Excused at 2:11 p.m.

Iowa School for the Deaf

Superintendent Johnson	Excused at 1:56 p.m.
Business Manager Heuer	Excused at 1:56 p.m.
Interpreter Seiler	Excused at 1:56 p.m.
Interpreter Stephens	Excused at 1:56 p.m.

Iowa Braille and Sight Saving School

Superintendent Thurman	Excused
Director Woodward	Excused at 1:58 p.m.
Director Utsinger	Excused at 1:58 p.m.

## GENERAL

The following business pertaining to general or miscellaneous business was transacted on Tuesday, June 14, 1994.

President Berenstein stated that he spoke with Regent Dorr the previous evening. Regent Dorr was unable to attend this meeting because he had recently received hail damage to his home and his crops.

**APPROVAL OF MINUTES OF BOARD MEETING, MAY 18, 1994.** The Board Office recommended the Board approve the Minutes, as written.

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

**ACTION:** President Berenstein stated the Minutes of the May 18, 1994, meeting were approved, by general consent.

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

**MOTION:** Regent Furgerson moved, seconded by Regent Johnson-Matthews, to approve the consent docket, as follows:

Receive the report of the meeting of the Iowa College Student Aid Commission;

Approve the Board Meetings Schedule;

GENERAL  
June 14, 1994

Receive the Register of Capital Improvement Business Transactions for the Iowa School for the Deaf;

Receive the report on outcomes accreditation candidacy for the Iowa Braille and Sight Saving School;

Receive the Register of Capital Improvement Business Transactions for the Iowa Braille and Sight Saving School;

Refer the Iowa State University request to discontinue the undergraduate curriculum in Fisheries and Wildlife Biology to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the Iowa State University request to change the name of the undergraduate curriculum in Industrial Education and Technology to the curriculum in Industrial Technology to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the Iowa State University proposal for an undergraduate minor in Nondestructive Evaluation from the College of Engineering to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the Iowa State University request to change the title of the undergraduate curriculum in Exercise and Sport Science, and the graduate major in Physical Education to a major in Exercise and Sport Science to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

GENERAL  
June 14, 1994

Refer the Iowa State University request to change the name of the graduate major in Home Economics Education to Family and Consumer Sciences Education for all department graduate degrees to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the Iowa State University request to replace the M.S. with major in Ceramic Engineering and the M.S. with major in Metallurgy with an M.S. with major in Materials Science and Engineering to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the Iowa State University request to establish graduate minors in Spanish, French, German, Latin, and Russian to be offered by the Department of Foreign Languages and Literatures in the College of Liberal Arts and Sciences to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the Iowa State University request to offer a Master of Family and Consumer Sciences in the College of Family and Consumer Sciences to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the Iowa State University request to establish an undergraduate Bachelor of Arts/ Sciences major in Women's Studies in the College of Liberal Arts and Sciences to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

GENERAL  
June 14, 1994

Refer the University of Iowa's report on the need to change degree designation wording for the B.S. in Engineering to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation; and

Accept the University of Iowa's proposal to change the name of the Medical Technology Program to the Clinical Laboratory Sciences Program.

MOTION CARRIED UNANIMOUSLY.

**INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION.** (a) Annual Report of the Committee on Educational Relations. The Board Office recommended the Board (1) receive the annual report of the Regent Committee on Educational Relations for 1993-94 and (2) approve the following goals of the committee for 1994-95:

- o Complete the vocational/technical transfer articulation model program.
- o Make final revisions in the credit by examination articulation agreement.
- o Make final revisions in the acceptance of military credit policy.
- o Make final revisions in the common grading symbols agreement.
- o Continue to strengthen relationship with the Articulation Committee of the Iowa Coordinating Council for Post-High School Education.
- o Continue cooperation with chief academic and student services officers of the community colleges to maintain and improve interinstitutional cooperation.
- o Continue responding to educational and articulation ideas, issues, and concerns brought to the committee by the Interinstitutional Committee or other appropriate educational entities.

During 1993-94 the Regent Committee on Educational Relations made progress in the following areas:

- o Monitoring of progress on development of a pilot program to accommodate transfer of credit from vocational/technical programs to Regent universities.
- o Examination of the impact of the current articulation agreement between community colleges and Regent universities.

- o Study of the effects of the revision in transfer credit policy allowing transfer of 65 hours of credit during any time period between initiation and completion of a bachelor's degree.
- o Preparation of a progress report on the Regent university approach toward acceptance of credit from students participating in the Postsecondary Enrollment Options Act.
- o Monitoring of implementation of recommendations for enhancing opportunities for American Indians at Regent universities.
- o Development of an alternative method for communication with community colleges about articulation concerns in place of Regent participation in community college approvals.

The Regent Committee on Interinstitutional Coordination reviewed the report of the Regents Committee on Educational Relations and supported its goals for 1994-95.

**MOTION:**

Regent Pellett moved to (1) receive the annual report of the Regent Committee on Educational Relations for 1993-94 and (2) approve the goals of the committee for 1994-95, as presented. Regent Collins seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

**REPORT ON MEETING OF THE IOWA COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION.** The Board Office recommended the Board receive the report.

The Iowa Coordinating Council for Post-High School Education met on June 8, 1994, for its last meeting of the academic year. Major topics discussed at the meeting included:

Officers were elected for 1994-95 including: William Wiebenga, Chair; and David Buettner, Vice-Chair. John Houston was added as a member of the Executive Committee representing the proprietary and specialized schools. Hunter Rawlings will continue to serve on the Executive Committee as past chair of the council. John Hartung, Harriet Custer and Robert Barak were approved as Treasurer, Secretary, and Permanent Secretary, respectively.

A report was provided on the council's role as the State Postsecondary Review Entity for the state of Iowa. The council approved the proposed SPRE rules subject to minor modifications. SPRE goals for 1994-95 were discussed and included further

development of the SPRE standards, rules, procedures, complaint procedure and data collection required under the law.

The council approved activities of the articulation committee that included the development of a brochure describing the articulation process intended for students, parents and counselors; and, the development of a common format for articulation/transfer agreements.

A report was given regarding the status of the marketing committee's activities this past year and the council thanked the committee for its efforts, and agreed to discontinue activities of the committee.

Approval was given to the following programs:

Iowa State University  
Master of School Mathematics  
ICN degree offerings

Upper Iowa University  
BS with Majors in Business and Management at Calmar location and  
requested additional clarification on proposal for Boone location.

University of Northern Iowa  
Approved majors in Composition Theory, Jazz Pedagogy, and Computer  
Science and received the report on programs dropped.

Clarke College/Briar Cliff  
MA in Education in Catholic School Administration

Indian Hills Community College  
Plastics Technology

The council approved an interim policy that in effect allows an institution with a program approval for offering on the Iowa Communications Network to offer that program at all ICN locations. The council asked that the Coordinating Council Committee on the ICN review the approval procedures and bring back a report in September on the approval process for the ICN to include an analysis of problems and issues, recommendations, and examples of how the proposed recommendations might work.

Regents Furgerson, Johnson-Matthews and Tyrrell were present at the meeting.

Regent Tyrrell stated that Director Barak received a unanimous commendation for his work with SPRE. He said Dr. Barak did an excellent job of bringing together all the sectors.

President Berenstein stated he has always felt that the Iowa Coordinating Council for Post-High School Education was an "unsung hero". Without the council, he said many things would not get accomplished; things that are of concern to citizens around the state. He commended President Rawlings and others involved with the Iowa Coordinating Council. He said the efforts of the council with regard to coordination between the sectors of the state's higher education system are crucial to everyone's success.

Regent Furgerson commented on the council's articulation efforts. She said the council consists of representatives of all the sectors of higher education in Iowa. The coordinating council is addressing articulation problems especially with regard to the transferring of credits among the various institutions. She said the coordinating council's articulation committee is currently developing a brochure that will give accurate and useful information to students who want to transfer among institutions. There are also plans for an 800 number and computer access to the same type of information. These efforts will be very helpful in ensuring that people receive accurate information.

President Berenstein stated that the sectors of higher education outside the Regent system are appreciative of the spirit of cooperation and collegiality shown by Regent representatives. It makes for a better program for the entire state.

Regent Furgerson said there has been increased participation from Regent university presidents. President Rawlings chaired the council this past year. The presence of the Regent universities' presidents confirms to others that the Regents are serious about working together.

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

**ALLOCATION OF FISCAL YEAR 1995 BONDING AUTHORITY FOR FIRE, ENVIRONMENTAL SAFETY, AND DEFERRED MAINTENANCE.** The Board Office recommended the Board allocate the bonding authority in Senate File 2326 as signed by the Governor as follows:



GENERAL  
June 14, 1994

SUI Schaeffer Hall Remodeling	\$ 8,499,305
SUI Fire Safety and Deferred Maintenance	<u>644,697</u>
Subtotal	\$ 9,144,002
ISU Swine/Cattle Units	\$ 3,179,552
ISU Livestock Research	2,118,676
ISU Fire Safety and Deferred Maintenance	<u>1,246,894</u>
Subtotal	\$ 6,545,122
UNI Wellness/Recreation Center	\$12,278,482
UNI Price Lab School Fieldhouse	2,669,102
UNI Fire Safety and Deferred Maintenance	113,310
Subtotal	<u>\$15,060,894</u>
TOTAL	<u>\$30,750,018</u>

The Seventy-fifth General Assembly, second session, passed and Governor Branstad signed Senate File 2326 authorizing the issuance of bonds by the State Board of Regents for capital improvements. The law authorizes specific projects at each of the universities and provides approximately \$2 million for fire safety and deferred maintenance projects.

The Board deferred action on this issue in May in order to receive additional information.

The projects and amounts were as follows:

SUI Schaeffer Hall Remodeling	\$ 8,499,305
ISU Swine/Cattle Units	3,179,552
ISU Livestock Research	2,118,676
UNI Wellness/Recreation Center	12,278,482
UNI Price Lab School Fieldhouse	2,669,102

The Board is authorized to allocate the funding for fire safety and deferred maintenance among the universities. The distribution of those funds was recommended as follows:

University of Iowa	\$ 644,697
Iowa State University	1,246,894
University of Northern Iowa	<u>113,310</u>
Total	\$2,004,901

The proposed distribution took into consideration Iowa State University's higher relative need for building repair funds and its lack of flexibility in its general university operating budget to address this high priority.

MOTION: Regent Collins moved to allocate the bonding authority in Senate File 2326 as signed by the Governor, as presented. Regent Tyrrell seconded the motion.

Regent Hendricks asked about the Board's budget formula for this program. Mr. Richey responded that it was a formula for figuring building renewal for the operating budget based on the estimated life of buildings.

Regent Hendricks asked if it was basically a depreciation allowance. Mr. Richey responded that it was with a variance for the individual budgets for that category.

VOTE ON THE MOTION: The motion carried unanimously.

**PRELIMINARY GENERAL FUND OPERATING AND ATHLETIC BUDGETS FOR FISCAL YEAR 1995.** The Board Office recommended the Board approve the FY 1995 preliminary general fund operating budgets for the Regent institutions, as recommended.

The proposed FY 1995 general fund operating budgets for the Regent institutions totaled \$1.1 billion for FY 1995, an increase of 4.6 percent over the original FY 1994 budgets and 3.8 percent over estimated FY 1994 expenditures.

State operating appropriations for the Regent institutions totaled \$527,758,826 for FY 1995, an increase of 3.0 percent over the original FY 1994 budget and 2.9 percent over estimated FY 1994 expenditures.

Tuition and fees revenues for FY 1995 were 4.6 percent higher than the original FY 1994 budget, based on the rate increase approved by the Board last fall.

Total salary expenditures were expected to grow 4.1 percent over the FY 1994 original budget. Net increase for faculty at the three universities will average 3 percent. Proposed salary policies for Professional & Scientific Staff at the University of Iowa and Iowa State University provided for increases which averaged 3 percent and were based on performance. University of Northern Iowa officials proposed increasing professional & scientific staff an average of 4 percent.

For general service staff, the pay matrices will be increased by 2 percent effective July 1, 1994, and another 2 percent effective January 1, 1995. Within-range step increases will be provided in FY 1995 in accordance with the collective bargaining agreement and for non-contract employees in accordance with the provisions of the merit rules.

The salary adjustment appropriation of \$16.7 million for the Regent institutions, Board Office and Regional Study Centers was \$6.1 million less than requested of the Governor and General Assembly and \$700,000 less than the Governor's recommendation of \$17.4 million. This \$16.7 million salary appropriation was added after downward adjustment by \$7.4 million for non-recurring salary increases in FY 1994. The institutions intend to augment the salary adjustment appropriation with additional institutional revenues and reallocated funds.

Building repair budgets were increased to \$15.8 million, a 15.5 percent increase over the original FY 1994 budget, through application of new tuition revenues and permanent reallocations. This was in response to directives by the Board to eliminate fire safety deficiencies and reduce deferred maintenance on the campuses.

Library collections were augmented by approximately \$700,000, a 5.9 percent increase over the FY 1994 original budget. This amount was primarily to fund inflationary increases for these materials.

Aid to students will grow \$1.5 million (5.0 percent) as a result of the tuition rate increase approved by the Board last fall and an additional \$.8 million for scholarships.

Institutional officials identified a large number of specific programs to which they intend to direct incremental and reallocated resources within the context of strategic planning goals. Some of these included:

All Universities

	Student Aid/Scholarships	\$2,254,186
	Undergraduate Education Initiatives	1,838,645
	Graduate/Research Initiatives	2,119,220
	Libraries	425,279
	Building/Utility Repair	1,825,000
SUI	Primary Health Care	\$300,000
	Health Services Office	492,000
ISU	Distance Learning	436,128
	Diversity/Minority Recruitment & Retention	340,000
UNI	Enrollment Growth (included above in UG Ed)	500,000
	Recycling/Reuse Technology Transfer Center	239,745
	Metal Casting	100,000

The FY 1995 preliminary budgets for the Iowa School for the Deaf and the Iowa Braille and Sight Saving School represented increases of 3.0 percent and 2.5 percent over the FY 1994 original budgets, respectively. The increases primarily will be used to fund salary increases.

Regional Study Centers received \$14,552 in additional appropriations for salaries in FY 1995. Other components of the Iowa portion of the budgets remain unchanged.

The proposed budget for Lakeside Laboratory was \$300,000, to be split 50 percent University of Iowa, 30 percent Iowa State University and 20 percent University of Northern Iowa. The distribution reflected current funding considerations and anticipated future patterns for the laboratory's utilization. State appropriations for tuition replacement represent an additional \$25,843,645.

President Berenstein stated that salaries for the institutional heads had not been included in the budget recommendations. Last year their salaries were increased by 1 percent from the previous year, as follows: Presidents Jischke and Rawlings - \$176,750; President Curris - \$139,380; Superintendents Johnson and Thurman - \$71,400. President Berenstein suggested the motion for the preliminary operating budgets include the setting of salaries for institutional heads effective July 1, 1994, at

an across-the-board increase of three percent, as follows: Presidents Rawlings and Jischke - \$182,100; President Curris - \$143,600; and Superintendents Johnson and Thurman - \$73,542.

**MOTION:** Regent Hendricks moved to (1) approve the FY 1995 preliminary general fund operating budgets for the Regent institutions, as recommended; and (2) approve annual salaries for institutional heads effective July 1, 1994, as follows: Presidents Rawlings and Jischke - \$182,100; President Curris - \$143,600; and Superintendents Johnson and Thurman - \$73,542. Regent Furgerson seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

(a) University of Iowa. The Board Office recommended the Board approve the FY 1995 preliminary general fund budget for the University of Iowa in the amount of \$703,233,849.

#### General Educational Fund

The total FY 1995 preliminary general fund budget was \$302,288,510, which represented an increase of \$11.8 million (4.1 percent) over the original FY 1994 budget and an increase of \$11.1 million (3.8 percent) over estimated FY 1994 expenditures.

The university's State appropriation for FY 1995 was \$190,980,028, which represented an increase of \$5.9 million (3.2 percent) over FY 1994.

Projected revenue from tuition and fees for FY 1995 of \$90,928,482, represented an increase of \$4.9 million (5.7 percent) over FY 1994. Projected tuition revenues were based on the Board's general rate increases approved for the University of Iowa of 4.4 percent for resident students and 7.5 percent for nonresidents, and the \$15 per semester deferred payment fee approved by the Board last December.

Student headcount enrollment was projected to decline approximately 1.0 percent.

The deferred payment fee will generate an estimated \$500,000 in revenue during FY 1995, including \$400,000 in tuition revenues and \$100,000 in interest income.

Approximately \$895,000 will be set aside from the tuition increase to augment student financial aid.

General education fund indirect cost recoveries from sponsored research and other grant and contract activities were projected to be \$20,005,000 for FY 1995, which represented a \$950,000 increase over the FY 1994 original budget and \$250,000 increase over the FY 1994 estimated budget.

Unavoidable cost increases of \$1,673,291 will be funded from the increase in State appropriations, institutional revenues and reallocations: library acquisitions (\$476,000), utilities (\$900,000), health protection office (\$226,791) and State Auditor (\$70,500).

Strategic planning initiatives of \$4,839,951 will be funded from the increase in State appropriations, institutional revenues and reallocations.

Some of the strategic planning initiatives included student aid set aside (\$894,676), building renewal (\$945,000), graduate assistant stipends (\$350,000), graduate assistant health insurance (\$350,000), primary health care (\$300,000) and health services office (\$492,000).

Internal reallocations included \$400,000 from building renewal as the result of projected utility savings redirected toward critical deferred maintenance and fire safety needs in FY 1994, which will be restored to the utility base in FY 1995.

Funding from new resources included \$945,000 for building renewal.

Salary adjustment costs, including annualization, of \$7.9 million were supported by State appropriations (\$7.2 million) and additional tuition and fee revenue (\$.7 million). The \$7.2 million in salary adjustment costs funded from State appropriations did not include the \$2.8 million base adjustment for removal of non-recurring funds. University officials proposed to reallocate funding to restore the non-recurring salary funds.

Salary budgets proposed for general fund-supported faculty and professional & scientific staff increased an average of 3.0 percent. Salary increases will be distributed based on merit and equity.

Salary budgets for graduate assistants were increased by the 3 percent plus an additional 2 percent funded through reallocations, for a total increase of 5 percent in accordance with the first-year goals of the Plan to Revitalize Graduate Education.

Salary policy for supervisory merit staff is set by the Board with the principal goal of equity with bargaining merit staff. The salary schedules for these positions will be

increased by 2 percent on July 1, 1994, and by an additional 2 percent on January 1, 1995. Merit step increases also will be available for those eligible.

Salary increases for merit staff covered by collective bargaining, provided in accordance with contractual obligations, included merit step increases, a 2 percent increase on July 1, 1994, and an additional 2 percent on January 1, 1995. The annualization of FY 1994 merit step increases averaged approximately 1.2 percent of the merit staff budget.

An additional cost for health insurance resulted from the annualization of the January 1, 1994, increase in premiums and a small additional contribution to the necessary terminal liability reserves.

#### University Hospitals

The preliminary FY 1995 general fund budget for the university hospitals was \$363,836,700, which represented a \$22.6 million increase (6.6 percent) over the original FY 1994 budget and \$17.2 million (5.0 percent) over the estimated FY 1994 budget.

The State appropriation of \$28,722,559 represented an increase of \$344,906 or 1.2 percent over FY 1994. State appropriations represented 7.9 percent of University Hospitals' FY 1995 revenue.

Based on anticipated levels of patient service, the indigent patient census in FY 1994 will utilize approximately a \$42,568,894 (11.7 percent) proportion of the FY 1995 operating budget versus the \$28,722,559 (7.9 percent) of the operating budget supported from appropriated funds.

UIHC officials requested Board approval of a five percent rate increase to be effective July 1, 1994.

Additional sales and services revenues projected for FY 1995 of \$22.2 million were based on patient revenue growth factors of a 2.1 percent increase in complexity of care and 1.5 percent increase in ambulatory patient volume, anticipated modest increases in reimbursement levels from major payors, and the proposed rate increase. Of the additional revenue, \$7.9 million was attributable to the proposed rate increase.

Salary increases, including annualization, of \$8.1 million will be funded from State appropriations (\$618,014) and sales and services (\$7.5 million).

The salary adjustment costs funded from State appropriations did not include the \$273,108 base adjustment for removal of non-recurring funds. University officials proposed to reallocate funding to restore the non-recurring salary funds.

The additional new revenue from sales and services and other income will be used to perpetuate the recurring cost elements of the budget ceiling increase approved by the Board in May, non-salary cost increases and operational costs of opening new buildings.

Revenues totaling \$416,000 will be reallocated, primarily to reflect the change in categorization under the new MFIS of certain types of revenue, including rental of equipment and facilities, telephone commissions, from sales and services to other income.

#### Psychiatric Hospital

The preliminary FY 1995 general fund budget for the Psychiatric Hospital was \$15,955,400, which represented a 4.0 percent increase over FY 1994.

The State appropriation of \$6,994,310 represented an increase of \$111,641 (1.6 percent) over FY 1994. State appropriations represented 43.8 percent of the Psychiatric Hospital's FY 1995 revenue.

UHC officials requested Board approval of a seven percent rate increase to be effective July 1, 1994, for the Psychiatric Hospital.

Additional sales and services revenues projected for FY 1995 of \$470,859 were based on the proposed rate increase, combined with anticipated new growth in patient services and modest increases in reimbursement levels from major payors. Of this additional revenue, \$120,000 was attributable to the proposed rate increase.

Psychiatric Hospital rates have increased seven times during the past ten years.

Salary increases of \$451,900 will be funded from State appropriations (\$193,168) and sales and services (\$258,732). The salary adjustment costs funded from State appropriations did not include the \$81,527 base adjustment for removal of non-recurring funds. University officials proposed to reallocate funding to restore the non-recurring salary funds.

The remainder of the additional revenue from sales and services and reimbursed indirect costs will be used for funding non-salary cost increases.



University Hospital School

The preliminary FY 1995 general fund budget for the University Hospital School was \$7,491,500, which represented a 3.3 percent increase over FY 1994.

The State appropriation of \$5,664,456 represented an increase of \$116,463 or 2.1 percent over FY 1994. State appropriations represented 75.6 percent of the hospital school's FY 1995 revenues.

UIHC officials requested Board approval of a seven percent rate increase to be effective July 1, 1994, for the University Hospital School.

Additional sales and services revenues projected for FY 1995 of \$123,037 were based on the proposed rate increase, combined with the annualization of patient admission and ambulatory service growth experienced in FY 1994, and modest increases in reimbursement levels from major payors. Of this additional revenue, \$30,000 was attributable to the proposed rate increase.

University Hospital School rates have increased seven times since July 1, 1984.

Salary increases of \$186,700 will be funded from State appropriations. The salary adjustment costs funded from State appropriations did not include the \$96,373 base adjustment for removal of non-recurring funds. University officials proposed to reallocate funding to restore the non-recurring salary funds.

The remainder of the additional revenue from sales and services and reimbursed indirect costs will be used for funding general inflationary and utility cost increases.

University Hygienic Laboratory

The preliminary FY 1995 general fund budget for the University Hygienic Laboratory was \$5,056,100, which represented a 2.8 percent increase over FY 1994.

The State appropriation of \$3,138,234 represented an increase of \$73,421 or 2.4 percent over the original FY 1994 budget. State appropriations represented 62.1 percent of the hygienic laboratory's FY 1995 revenues.

UIHC officials requested Board approval of a four percent rate increase to be effective July 1, 1994, for the University Hygienic Laboratory.

GENERAL  
June 14, 1994

Additional sales and services revenue of \$62,479 was based on the average rate increase of 4 percent, including the laboratory's rate adjustment on public drinking water (MPN) testing and hospital service testing, in conjunction with anticipated growth in laboratory service volume during FY 1995.

Salary increases of \$116,200 will be funded from State appropriations. The salary adjustment costs funded from State appropriations did not include the \$62,129 base adjustment for removal of non-recurring funds. University officials proposed to reallocate funding to restore the non-recurring salary funds.

The additional revenue from sales and services will be used to fund general inflationary increases.

Total expenditures of \$106,000 will be reallocated.

#### SCHS - Cancer, Hemophilia, High Risk Infant

The preliminary FY 1995 general fund budget for the SCHS - Cancer, Hemophilia, High Risk Infant Program was \$674,800, which represented a 3.4 percent increase over FY 1994.

The State appropriation of \$440,817 represented an increase of \$12,130 or 2.8 percent over FY 1994.

Other income of \$88,902, the amount budgeted in FY 1994, was anticipated from the Department of Pediatrics and the UIHC.

Salary increases of \$21,500 will be funded from State appropriations (\$18,639) and federal support (\$2,861). The salary adjustment costs funded from State appropriations did not include the \$6,509 base adjustment for removal of non-recurring funds. University officials proposed to reallocate funding to restore the non-recurring salary funds.

Another program of the SCHS, mobile and regional clinics, receives an appropriation through the Department of Health and subsequently contracts with the UIHC for the operation of the clinics.

Oakdale Campus

The preliminary FY 1995 general fund budget for the Oakdale campus was \$3,517,018, which represented a 1.0 percent increase over the original FY 1994 budget and a 0.1 percent decrease from the estimated FY 1994 budget.

The increase over the original FY 1994 budget was entirely due to the \$36,524 increase in State appropriation for FY 1995.

FY 1995 revenues from other sources did not reflect the \$40,000 budget ceiling increase approved by the Board in May to reflect greater-than-budgeted rental and cafeteria income in FY 1994, since the client increases experienced in FY 1994 were not anticipated to continue in FY 1995.

Salary increases of \$74,411 will be funded from State appropriations. The salary adjustment costs funded from State appropriations did not include the \$47,586 base adjustment for removal of non-recurring funds. University officials proposed to reallocate funding to restore the non-recurring salary funds.

A \$34,282 projected increase in the FY 1995 utility budget to reflect a 3.5 percent inflationary increase will be funded through reallocation from the supplies budget.

Family Practice Program

The preliminary FY 1995 general fund budget for the Family Practice Program was \$1,860,624, which represented a 2.4 percent increase over FY 1994.

State appropriations fund \$1,840,624 of the FY 1995 family practice program general fund, and represented a \$43,931 (2.4 percent) increase over FY 1994.

Salary increases of \$56,644 will be funded from State appropriations. The salary adjustment costs funded from State appropriations do not include the \$18,554 base adjustment for removal of non-recurring funds. University officials proposed to reallocate funding to restore the non-recurring salary funds.

Special Purpose Appropriations

The preliminary FY 1995 general fund budget for the special purpose appropriations was \$2,553,197, which represented an increase of \$16,181 (.6 percent) over FY 1994.

The special purpose appropriations for FY 1995 were as follows:

GENERAL  
June 14, 1994

Iowa Center for Agricultural Safety and Health	\$ 247,230
Center for Biocatalysis and Bioprocessing	1,284,981
Center for Advanced Drug Development	496,481
Iowa Substance Abuse Consortium	62,032
National Advanced Driving Simulator	273,653
State Tumor Registry	<u>188,820</u>
Total	\$2,553,197

Salary increases of \$36,223 will be funded from \$23,847 in State appropriations and \$12,376 in reallocations. The salary adjustment costs funded from State appropriations did not include the \$7,666 base adjustment for removal of non-recurring funds. University officials proposed to reallocate funding to restore the non-recurring salary funds.

President Rawlings stated that the university strategic plan drives the budget decisions. The preliminary budget adhered to the salary policy and intent of the Governor and General Assembly, and to the intent of the Board of Regents when tuition rates were set. The budget included \$14.4 million in new revenues and strategic reallocations. With regard to reallocations, he said university officials spent a lot of time addressing strategic priorities. They downsized and reduced in some areas and made increases in other areas. The university is building on its strengths.

President Rawlings emphasized that while the University of Iowa derives a good deal of general fund support from the State of Iowa, university officials leverage those funds several-fold in creating the overall budget. He said the overall budget was four times the size of the State appropriation share of the general fund budget which illustrated the successful leveraging of State funds. University officials put a lot of emphasis on entrepreneurship. In terms of economic activity and the impact on the State of Iowa, President Rawlings said there was a very healthy multiplying factor.

President Rawlings stated that the salary policy was not funded simply from State funds; funds also come from appropriations, tuition and reallocations. He said the proposed budget strongly emphasized new funds for graduate assistants. The budget included funding for the Women in Science and Engineering Program. There was also a strong emphasis on library acquisitions and operations.

President Berenstein emphasized that the University of Iowa budget was four times what was appropriated. He said they all needed to continue to stress the entire amount

of money being generated throughout the Regent system as they speak to others around the state including the legislature.

Regent Hendricks emphasized the importance of the provision of day care for staff members. She appreciated seeing day care as one of the initiatives and said she hoped that at some point the amount of funds for that purpose could be increased.

**MOTION:** Regent Furgerson moved to approve the FY 1995 preliminary general fund budget for the University of Iowa in the amount of \$703,233,849. Regent Hendricks seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

(b) Iowa State University. The Board Office recommended the Board (1) approve the preliminary FY 1995 general fund operating budget for Iowa State University in the amount of \$306,197,351; (2) approve new policies on long-term disability coverage waiting period and long-term care insurance; and (3) refer to the Board Office for further review the proposed policies on parental leave, catastrophic illness/injury program, and change in the mileage reimbursement rate.

The proposed general fund budget of \$306,197,351 was 3.1 percent greater than the FY 1994 estimated budget and 3.5 percent greater than the original FY 1994 budget.

The funds were proposed to be distributed among budget units as follows:

General University	\$238,700,219
Ag. Experiment Station	34,563,312
Cooperative Extension	26,774,631
Inst. Physical Research & Tech.	3,970,904
Special Purpose Approps.	<u>2,188,285</u>
Total	<u>\$306,197,351</u>

Chief revenue components included \$206,447,960 in State appropriations for operations (+3.1 percent), \$77,619,572 in tuition and fees (+3.8 percent), Federal support of \$12,420,819 (+0.8 percent), sales and services of \$175,000 (+2.9 percent) and indirect cost recovery of \$7,400,000 (+10.4 percent).

The increase in tuition and fees was attributed primarily to Board-approved rate increases, from \$2,192 to \$2,291 for undergraduate residents; from \$7,226 to \$7,551 for non-residents in academic year 1994/95.

Enrollment was projected to remain steady, with a shift toward more part-time students.

Indirect cost recovery (ICR) was budgeted flat at \$7.4 million. The figure reflected a higher negotiated recovery rate and greater sponsored project funding. The FY 1994 year-end ICR estimate was \$7.4 million, which was 10.5 percent greater than originally budgeted.

The proposed budget included general fund salary adjustments of \$6,576,895. This amount included \$6,536,152 funded directly by the State and \$40,743 in reallocated funds.

The \$6,536,152 in State appropriations excluded the \$2,839,126 base adjustment for removal of non-recurring salary funds.

University officials proposed to fund mandated collective bargaining agreements for all general services staff, including a 2 percent increase July 1, 1994, and a 2 percent increase January 1, 1995. Eligible employees will receive appropriate step increases.

Regular salary increases will average 3.0 percent for continuing faculty and continuing professional and scientific staff. Increases for faculty and P&S staff who meet minimum performance standards will be at least 1 percent.

#### General University

Iowa State University officials identified \$11.6 million of new and reallocated funds in the FY 1995 general university budget.

New funding totaled \$6.8 million and reallocation added \$4.1 million. In addition, \$635,000 in WOI-TV restricted endowment earnings were budgeted along with general funds. The WOI-TV endowment earnings were specifically earmarked for journalism scholarships (\$50,000), biotechnology research (\$148,872) and distance learning (\$436,128).

The proposed expenditure budget was tied closely to the university's strategic plan:

Goal #1: Intellectually Stimulating Environment -- \$434,000, including \$240,000 for diversity enhancement and \$100,000 for minority and women faculty recruitment.

Goal #2: Outstanding Undergraduate Programs -- \$2,640,158, including \$986,513 in scholarships, \$125,000 in library enhancements, \$663,833 in curriculum initiatives and new faculty positions, and \$365,000 in building and utility repairs.

Goal #3: Outstanding Graduate & Research Programs -- \$1,299,145, including \$301,770 in biotechnology and other research initiatives, an additional \$365,000 in building and utility repairs, an additional \$125,000 in library resources, and \$161,833 for new faculty.

Goal #4: Outstanding Extension & Outreach Programs -- \$539,019, including \$436,128 for the distance learning initiative.

Goal #5: National Stature in Technology -- \$160,279, including \$90,000 for distributed computing and \$70,279 for library technology initiatives.

Mandatory cost increases were expected to total \$948,597.

Expenditures for catastrophic building loss (\$177,466), new building operating support (\$146,649) and utilities, bus service and fire protection (\$446,167) total \$770,282.

Other unavoidable cost increases, such as hazardous waste disposal, DNR emission fees, State Auditor charges and Child Farm Safety Program, were estimated at \$178,315.

Additional budget responsibilities for Lakeside Laboratory will add \$68,412 to Iowa State University's final budget in July, for a total of \$90,000 in Iowa State University support for the laboratory's proposed \$300,000 total budget.

### Proposed Benefits Programs

#### Proposed Change in Long-Term Disability Waiting Period

University officials proposed a revision to its long-term disability policy to provide that the 90-day waiting period will not start anew for employees who return to work for ten days or less. The proposed policy revision would apply to faculty and other noncontract-covered staff.

University officials noted that the current policy penalizes employees who try to return to work but cannot continue. Iowa State University officials proposed to revise its policy regarding the 90-day waiting period so that staff will not be discouraged from trying to return to work.

Approval of the proposed revision was recommended.

#### Long-Term Care Insurance

University officials proposed to make available long-term care insurance which would be paid for entirely through payroll deductions by employees electing participation in the program.

The university solicited competitive bids and selected the program underwritten by the Teachers Insurance Annuity Association which the university determined offered the lowest costs and the best service.

Approval of this program for faculty and noncontract-covered staff, which was previously approved for the University of Iowa, was recommended.

#### Proposed Parental Leave Policy

Iowa State University officials proposed a parental leave policy for non-contract faculty and staff employees that would provide a maximum 12 weeks leave of absence for a parent of which up to four weeks could be charged to and paid as sick leave. The 12-week period and the four weeks chargeable to sick leave would be in addition to the time that a biological mother could charge to sick leave as maternity leave, normally six weeks.

Based on previous experience university officials estimated approximately 171 employees a year would be eligible for the proposed leave. If only 10 to 30 percent of eligible employees requested the paid leave and if it was necessary to replace only half of those, the Iowa State University estimate for incremental cost of implementing the program (cost of replacements), was between \$27,000 and \$77,000 per year.

Board policy currently provides sick leave pay for the period a biological mother is physically disabled, generally six weeks, and for one week for adoptive parents.

The Family Medical Leave Act, provides for up to 12 weeks of unpaid leave for the birth or adoption of a child. Though Federal regulations implementing the law have not yet been finalized, it appears from interim regulations that paid leave related to birth or adoption may be considered part of the required 12 week maximum.

The Board Office was concerned that the Iowa State University proposal would provide additional leave of absence and the cost thereof. The university suggested incremental



costs estimated as replacement costs for one-half of the 10 to 30 percent of eligible employees. The Board Office suggested that usage estimates are too conservative and that it would be appropriate to consider the cost of the proposal to be the full four weeks of paid sick leave instead of the cost of replacing half of those employees.

If participation was estimated at 30 percent of the cost of four weeks sick pay based on an average annual salary of \$40,000, the proposal would cost approximately \$154,000 at Iowa State University.

Costs of a similar policy at all five Regent institutions would approximate \$500,000 per year.

Due to concern about interinstitutional implications, the effect of prolonged absences on productivity, and program costs, it was recommended that the Iowa State University proposal be referred to the Board Office for further review.

#### Proposed Catastrophic Illness/Injury Program

Iowa State University officials proposed a program under which noncontract-covered faculty and staff may contribute sick leave time for use by other employees who do not have enough sick leave to cover the 90-day waiting period before long-term disability insurance benefits begin. They proposed to fund the donated sick leave time by contributing \$25,000 annually from reduced insurance costs.

In effect, the Iowa State University proposal would eliminate the 90-day waiting period for LTD benefits which is a uniform provision at each Regent institution.

Due to concern about interinstitutional policy implications, it was recommended that the proposal be referred for review by the Board Office.

#### Proposed Change in Mileage Reimbursement Rate

University officials proposed to increase the rate of reimbursement for driving one's personal car on university business from 21 cents to 29 cents per mile. They reported that the legislatively-provided 21 cents per mile had been stricken from the Code of Iowa.

The State Department of Management indicated there are no statutory restrictions that would prevent the Regents from reimbursing employees up to the maximum allowed by the Federal Internal Revenue Service, or 29 cents per mile.

Since the State's collective bargaining contract covering Regents blue collar, security, technical and clerical employees specifies reimbursement at 21 cents per mile, the proposed increase would apply only to noncontract-covered faculty and staff.

University officials estimated an annual cost of the increase to be \$316,000 for all funds. The Board Office estimated Regent-wide costs of \$650,000 per year.

Due to collective bargaining and cost implications for all Regent institutions, it was recommended that this proposal be referred to the Board Office for further review.

Iowa Agriculture and Home Economics Experiment Station (IAHEES)

The proposed \$34,563,312 budget was \$2,876,578 (9.1 percent) greater than FY 1994 estimate. The estimated Federal appropriation for FY 1995 was budgeted at the current year figure of \$3,870,819.

The renovation and repair budget will be increased by \$500,000 in FY 1995, up from the current \$700,000 to \$1.2 million.

The utilities budget was estimated to remain static at \$350,000.

Equipment expenditures at IAHEES would be decreased by \$428,000 from the \$900,000 current year estimate.

Cooperative Extension Service

The proposed \$26,774,631 budget was \$475,701 (1.8 percent) greater than the current year adjusted base. Federal support was expected to rise by \$100,000 (1.2 percent) to a new total of \$8,500,000.

Other than \$626,400 for salary increases, no additional State appropriations were received by the service for FY 1995.

Institute for Physical Research and Technology

The proposed \$3,970,904 budget was a net \$21,468 (0.54 percent) higher than FY 1994.

State appropriation is the sole general fund source. The non-salary adjustment is a decrease of \$37,863.

Salary adjustments total \$71,108 excluding the removal of \$11,777 in FY 1994 bonus funds.

Special Purpose Appropriations

Iowa State University receives State funds for four units which are legislatively designated as special purpose appropriations, as follows:

<u>Unit</u>	<u>Amount</u>	<u>% Increase</u>
Livestock Technology Transfer	\$ 200,000	-33.3%
Leopold Center	560,926	0.1%
Small Business Development Ctr.	1,151,173	10.3%
Livestock Disease Research	276,186	0.1%
	\$2,188,285	

President Jischke discussed Iowa State University's one-page FY 1995 preliminary budget summary. He noted that the \$10 million increase in the general fund budget did not include restricted funds. He reviewed with the Regents the changes in State appropriations in the general fund from FY 1994 to FY 1995. Funds allocated for the general university were 80 percent of the total general funds.

President Jischke discussed how university officials planned to achieve the goals of the strategic plan for funding the salary package. He noted that benefits costs were going down. As part of their 3-year plan, university officials will systematically reallocate from low priority areas to high priority areas. New funding totaled \$6.8 million and reallocation added another \$4.1 million. He stated that \$635,000 in WOI-TV restricted endowment earnings were budgeted along with general funds. The WOI-TV endowment earnings were specifically earmarked for journalism scholarships (\$50,000), biotechnology research (\$148,872) and distance learning (\$436,128).

With regard to the allocation of \$5 million to strategic planning goals, President Jischke stated that the university's strategic plan drives the budget allocation decisions. Iowa State University officials have remained true to their aspiration to make Iowa State University the best land grant university in the nation. Over one-half of the \$5 million was dedicated to improvements in undergraduate education.

President Berenstein asked President Jischke about the university's request concerning the long-term disability coverage waiting period. President Jischke stated that the proposal was fully supported by those who want the service.

President Berenstein asked about the proposal concerning long-term care and the waiting period. President Jischke responded that the university had a couple of cases where employees with severe illnesses had partially recovered and went back to work. The university wishes to encourage employees to try to come back to work. He said the proposal was very worthwhile and would not cost very much money.

President Jischke asked that the Board give serious consideration to approving the university's request regarding mileage rates. University officials have been informed by the State that it is within the authority of the Board to set its mileage reimbursement rate at the level established by the Internal Revenue Service. He stressed that the reimbursement rate was particularly important for Iowa State University because of its extension program employees. For many of those employees, utilization of their own vehicles is a condition of employment. He noted that according to the American Automobile Association, the typical cost of operation and care of a motor vehicle is 39 cents per mile. Iowa State University officials have constructed the preliminary budget to cover the additional cost, largely within the extension budget. He stated that it was quite unfair to not reimburse more reasonably those employees for whom university pool cars are not available.

President Berenstein suggested that the issues concerning mileage reimbursement rates as well as catastrophic leave be referred to the Board Office for resolution for the coming budget year.

Regent Hendricks stated that collective bargaining considerations should not drive the decisions made for employees who are not part of the collective bargaining unit. She said President Jischke made a very good point. She hoped that when the budget comes back in July the mileage rate approval will be included.

President Berenstein asked if 21 cents per mile was the standard reimbursement rate for all Regent employees. Mr. Richey responded that it was. He said that while it was true that the Regents have legal authority to establish the mileage reimbursement rate at the requested 29 cents per mile, the Regents have always coordinated their policies with State policies. When the Regents have a policy that deliberately diverts from that of the State, they have always had a very strong reason to do so. If that was not the case it would cause serious problems for the State in the future especially regarding collective bargaining. He said the Regents go to the State many times for understanding and assistance.

**MOTION:**

Regent Collins moved to (1) approve the preliminary FY 1995 general fund operating budget for Iowa State University in the amount of

\$306,197,351; (2) approve new policies on long-term disability coverage waiting period and long-term care insurance; and (3) refer to the Board Office for further review the proposed policies on parental leave, catastrophic illness/injury program, and change in the mileage reimbursement rate. Regent Furgerson seconded the motion.  
MOTION CARRIED UNANIMOUSLY.

(c) University of Northern Iowa. The Board Office recommended the Board approve the FY 1995 preliminary general fund operating budget for the University of Northern Iowa in the amount of \$95,327,000 with the understanding that issues raised herein will be satisfactorily addressed with the Board Office prior to preparation of the final budget.

University of Northern Iowa officials proposed a FY 1995 general fund operating budget of \$95,327,000. The proposed budget was 3.0 percent higher than the FY 1994 original budget.

The university's budget submission lacked comprehensive discussion of revenues and expenditures, and allocation decisions were yet to be made in some areas. Accordingly, the Board Office was unable to provide a full assessment of the budget. University officials were requested to develop more comprehensive materials for final approval of the budget in July.

#### Revenue

State appropriations for operations will increase by \$1.9 million or 2.9 percent.

General fund revenue from tuition and fees was estimated to increase by \$832,833 or 3.3 percent. This estimate was based on Board-approved rate increases and stable enrollment for full-time resident and nonresident graduate and undergraduate students.

Though the spring graduating class set a new record, the university continues to project enrollment conservatively. One unknown factor is the number of students who will attend only part-time.

All other revenue sources were budgeted at the same level as the FY 1994 original budget. These amounts were almost identical to actual FY 1993 revenue with the exception of reimbursed indirect cost revenue.

Given the university's momentum in developing sponsored research, the proposed indirect cost revenue figure was perhaps too conservative. Reimbursed indirect cost revenue was budgeted at \$475,000 compared to an FY 1993 actual of \$646,342, a decrease of 36 percent over two years. A figure of at least \$700,000 should be considered for the final budget. That still would be appropriately conservative at \$50,000 below current year estimate.

Sales and services revenues were budgeted too conservatively at \$325,000. Current year estimate of \$500,000 was 54 percent greater than the original budget. (A figure of at least \$475,000 was suggested for the final budget.)

### Expenditures

Of the \$1.9 million increase in State appropriations, the sum of \$1,167,535 will be used for salary adjustments and \$745,000 for program and strategic planning initiatives.

Consistent with the university's primary strategic goal of strengthening its undergraduate program, approximately \$500,000 of new funding will be used to implement the strong core program in general education and provide additional faculty in focal academic areas.

Departmental supplies and services will be increased in critical need areas and to accommodate departments with new faculty positions.

University officials intend to provide supplemental funds for library services and allocate additional funds for academic equipment. Specific allocations were not yet decided but would be reported in July.

Approximately \$100,000 in increased State appropriations will be designated for the metal casting program in response to specific gubernatorial recommendations and legislative deliberations.

Individual salary decisions for United Faculty members will be made consistent with the Master Collective Bargaining Agreement for 1993-1995 and will average 4.0 percent above FY 1994. Academic administrators and professional and scientific staff were expected to be treated similarly.

University officials hoped to make internal reallocations to meet faculty salary increases without using incremental non-salary funding from the education appropriation.

The AFSCME Collective Bargaining Agreement provides for a 2.0 percent increase effective July 1, 1994, and a 2.0 percent increase effective January 1, 1995.

From tuition and fee increases, \$100,000 will be used to increase funding for graduate education. Of this amount, \$60,000 will be used for graduate assistant stipends and \$25,000 for scholarships. At least \$265,000 of additional tuition revenue will be set aside so that student aid will keep pace with tuition rate increases.

An additional \$150,000 of the tuition increase will be designated for building repair. Building repair appears to be budgeted conservatively. The \$700,000 budget compared to estimated expenditures of \$1.2 million in FY 1994 and actual expenditures of \$1.3 million in FY 1993.

Expenditures for salaries through April 1994 relative to budget suggest that some funds may be available for year-end temporary reallocation to building repair.

Permanent reallocation of vacant personal services lines to building repair may be appropriate, consistent with the Board's action on this matter last year and similar budgetary treatment by University of Northern Iowa's sister institutions.

The State appropriation for the Recycling and Reuse Technology Transfer Center was \$239,745, the same as in FY 1994. A permanent program manager was hired during FY 1994 to manage the center's activities.

President Curris stated that the presidents of the other two Regent universities had made statements concerning their budgets being driven by the strategic planning processes and were reflective of achieving the strategic plan goals. He said he would like to say that the same was true at the University of Northern Iowa, but that was not the case. The University of Northern Iowa operates under a collective bargaining agreement. The mandated collective bargaining requirements drive the university's budget. Funds left over after honoring legal commitments are then directed to strategic planning goals. There is a mandated 4 percent increase in salaries for FY 1995. When the State funds salary policy at 75 percent of the need, university officials have to expend a great deal of internal resources to fulfill that legal mandate. He said that given those circumstances and the \$1 million shortfall in funding for salary increases, university officials have been through an intensive process of reallocation.

President Curris said he was comfortable that the budget presented reflected progress toward achieving strategic planning goals. Strategic planning goals addressed initiatives toward enrollment growth, additional faculty, metal casting, strengthening financial aid, expansion of computing services, infrastructure needs, supplies and services, and opening new buildings.

President Curris concluded by stating that what was presented was a conservative budget which would fulfill all the legal requirements. He noted that additional details would be presented at next month's meeting.

**MOTION:** Regent Collins moved to approve the FY 1995 preliminary general fund operating budget for the University of Northern Iowa in the amount of \$95,327,000 with the understanding that issues raised would be satisfactorily addressed with the Board Office prior to preparation of the final budget. Regent Tyrrell seconded the motion.  
**MOTION CARRIED UNANIMOUSLY.**

(d) Iowa School for the Deaf. The Board Office recommended the Board receive the FY 1995 preliminary budget for the Iowa School for the Deaf.

The FY 1995 preliminary operating budget for the Iowa School for the Deaf was \$6,694,973, a 3.0 percent increase over the FY 1994 original budget and a 1.6 percent increase over the FY 1994 estimated budget.

The FY 1995 State appropriation for Iowa School for the Deaf was \$6,412,510, a \$184,571 (3.0 percent) increase over the FY 1994 original budget.

The FY 1994 estimated budget included \$75,000 for the visual alert warning system to meet fire and safety requirements.

Salary adjustment costs of \$204,039 will be funded from the increase in State appropriations (\$184,571), increase in sales and services revenues (\$4,000) and reallocations (\$15,468).

The revised teachers' salary schedule for the 1994-95 contract year resulted in increases averaging 3.9 percent after adjustment for non-recurring bonuses.

The salary adjustments for professional and scientific staff were based on average increases of 4 percent after deduction of bonuses (a net of 3 percent over current year) based on merit within the existing pay ranges.

The pay matrices for general service staff will be increased by 2 percent effective July 1, 1994, and another 2 percent effective January 1, 1995. Within-range step increases will be provided in FY 1995 in accordance with the collective bargaining agreement and for non-contract employees in accordance with the provisions of the merit rules.



The FY 1995 preliminary budget will support:

Provision of pre-K through 12th grade instruction to 167 students;

The on-campus educational program which serves 95 students who live in the residences plus 40 students who live at home but attend on-campus classes;

Off-campus and mainstream educational programs in the Lewis Central, Council Bluffs and Atlantic schools serving other students with Iowa School for the Deaf staff providing instructional services within the students' own school districts;

A parent/infant education program that provides very young children who have hearing difficulties and their families with educational programs in the years before schooling traditionally begins; and

The Summer Learning Adventure program, budgeted to begin in FY 1994, which will target basic skills remediation, computers and technology enrichment and pre-school learning activities for deaf and hard of hearing children.

Superintendent Johnson expressed his pleasure that \$75,000 for the school's visual alert system was carrying over into FY 1995. School officials will be able to get the project finished in the next fiscal year. He noted that operating expenses were going to be less than last year and were even less than what they were in FY 1988.

**MOTION:**

Regent Tyrrell moved to receive the FY 1995 preliminary budget for the Iowa School for the Deaf. Regent Collins seconded the motion.  
**MOTION CARRIED UNANIMOUSLY.**

(e) Iowa Braille and Sight Saving School. The Board Office recommended the Board approve the FY 1995 preliminary general operating budget for the Iowa Braille and Sight Saving School in the amount of \$3,794,039.

The FY 1995 preliminary operating budget was \$3,794,039, a 2.5 percent increase over the FY 1994 original budget.

The State appropriation of \$3,609,152, including capital funding, represented a \$91,545 increase (2.6 percent) over the FY 1994 original budget.

The FY 1995 budget included \$60,000 in non-recurring funding for projects related to the Americans for Disabilities Act; of this amount, \$40,000 was contingent on availability of excess lottery proceeds in FY 1994.

School officials proposed to use its entire appropriation increase for salary augmentation.

The revised teachers' salary schedule for the 1994-95 contract year resulted in increases averaging 3.9 percent after adjustment for non-recurring bonuses.

The salary adjustments for professional and scientific staff were based on average increases of 4 percent after deduction of bonuses (a net of 3 percent over current year) based on merit within the existing pay ranges.

The pay matrices for general service staff will be increased by 2 percent effective July 1, 1994, and another 2 percent effective January 1, 1995. Within-range step increases will be provided in FY 1995 in accordance with the collective bargaining agreement and for non-contract employees in accordance with the provisions of the merit rules.

Reallocation of salaries and fringe benefits from the elimination of five positions will be used to fund contracted services and maintenance of campus facilities.

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

The daytime instructional program includes all the normal K through 12 educational programs adapted for visually impaired and blind youngsters.

The residential program extends the normal school day into the evenings, focusing on daily living skills, recreation, and many other educational activities.

The outreach program provides numerous specialized support services to visually impaired and blind students who attend school in their local school districts.

Director Woodward stated that the entire appropriation increase would go toward salaries. School officials also had to make internal reallocations. The budget included an increase in contracted services. She noted that \$60,000 would be directed toward addressing compliance with the Americans with Disabilities Act of which \$40,000 was contingent upon excess lottery proceeds. She hoped to find out in July whether those funds would be forthcoming in order to proceed with the projects.

**MOTION:** Regent Collins moved to approve the FY 1995 preliminary general operating budget for the Iowa Braille and Sight Saving School in the amount of \$3,794,039. Regent Tyrrell seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

(f) Regional Study Centers. The Board Office recommended the Board (1) approve the distribution of the Quad-Cities Regional Study Center's FY 1995 appropriation of \$150,374 including salary increase funds; (2) approve the distribution of the Tri-State Regional Study Center's FY 1995 appropriation of \$72,535 including salary increase funds; and (3) approve the distribution of the Southwest Iowa Resource Center's FY 1995 appropriation of \$71,662 including salary increase funds.

The FY 1995 educational appropriations for the study centers totaled \$280,019. In addition, last month the Board allocated salary increase funds of \$14,552 to the regional study centers to fund an average 4 percent salary increase and an 18 percent benefits increase.

The FY 1995 appropriation for the Quad-Cities Graduate Study Center from the State of Iowa was \$150,374. This amount included \$6,270 to fund an average 4 percent salary increase and an 18 percent benefits increase.

The Quad-Cities Study Center anticipated receiving approximately \$158,000 from the State of Illinois for FY 1995 and estimated sales and services revenues at \$13,626 for a total budget of \$322,000 .

The Tri-State Regional Study Center's FY 1995 Iowa appropriation was \$72,535. This amount included \$4,785 to fund an average 4 percent salary increase and an 18 percent benefits increase.

In April, the Nebraska legislature appropriated \$40,000 for the Tri-State Regional Study Center for FY 1995. Wayne State College and South Dakota were expected to contribute approximately \$10,500 for a total budget of \$123,035.

The FY 1995 appropriation for the Southwest Iowa Resource Center was \$71,662. This amount included \$3,497 to fund an average 4 percent salary increase and an 18 percent benefits increase. The Southwest Iowa Resource Center is supported solely by Iowa contributions .

Further information on the centers' FY 1995 operating budgets will be presented at the July meeting.

Regent Pellett asked if the salary funds for the Southwest Iowa Regents Resource Center were for full- or part-time salaries. Director Barak responded that they were part-time salaries.

**MOTION:**

Regent Newlin moved to (1) approve the distribution of the Quad-Cities Regional Study Center's FY 1995 appropriation of \$150,374 including salary increase funds; (2) approve the distribution of the Tri-State Regional Study Center's FY 1995 appropriation of \$72,535 including salary increase funds; and (3) approve the distribution of the Southwest Iowa Resource Center's FY 1995 appropriation of \$71,662 including salary increase funds. Regent Tyrrell seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

(g) Lakeside Laboratory. The Board Office recommended the Board (1) receive the report on Lakeside Laboratory and (2) approve the proposed budget and budget distribution.

In the summer of 1993 the Board of Regents approved a three-year plan and a new organizational structure for Lakeside Laboratory. The goals for the three-year plan, which is to begin July 1, 1994, include:

1. Enhance the Instructional Program
2. Increase Enrollment
3. Improve Financial Situation
4. Reexamine Curriculum
5. Improve Relations with the Lake Okoboji Community
6. Increase Tuition Scholarships
7. Examine Distant Learning Potential
8. Enhance Research Opportunities

Since last summer the Lakeside Laboratory Coordinating Committee has selected a half-time person, Dr. Arnold van der Valk, for the new position of Director of Lakeside Laboratory beginning July 1, 1994, and taken steps to ensure a smooth transition from the current administration to the new administration.

Responsibility for the day-to-day operation of Lakeside Laboratory will shift from the University of Iowa to Iowa State University.

The proposed budget consisted of contributions from all three Regent universities and the development of a single line item for Lakeside Laboratories. It was believed that a consistent line item budget for Lakeside Laboratory would be a major step in its revitalization.

The FY 1995 preliminary operating budget for the Lakeside Laboratory is \$300,000. Funding will be provided by the universities as follows:

<u>Institution</u>	<u>Amount</u>	<u>Percentage</u>
University of Iowa	\$150,000	50%
Iowa State University	90,000	30%
University of Northern Iowa	<u>60,000</u>	20%
	\$300,000	

The budget included funding for the following:

Salary and Benefits	\$111,250
Summer Faculty	90,000
Operating Expenses	56,300
Building Maintenance	35,000
Equipment	5,000
Recruiting	<u>2,450</u>
Total	\$300,000

The universities' preliminary FY 1995 operating budgets did not reflect this funding for the Lakeside Laboratory; it will be included in the final FY 1995 operating budgets of the universities presented to the Board for approval in July.

Director Barak stated that the three-year plan for Lakeside Laboratory, approved by the Board last year, begins this July 1. The new half-time director will be on board and will help develop a physical facilities inventory and identify need. He said the local community has indicated an interest in providing assistance.

President Berenstein discussed his concerns about the Regents making a commitment of \$300,000 and the Okoboji community not fully participating. He views the \$300,000 as a short-term commitment should the community not fulfill its obligation.

GENERAL  
June 14, 1994

Director Barak responded that the community leaders have consistently expressed an interest in being of assistance in supporting Lakeside Laboratory. He said they are waiting for a priority listing for which they can begin providing support.

President Berenstein stated that before the next Regents meeting he would like Director Barak to have a conversation with Judy Thoreson of the Okoboji community to determine a more definite basis on which the community will participate. It should be presented to the community leaders, prior to the July Regents meeting, that the Regents expect a full commitment from the community.

Regent Newlin asked what "support" meant. Director Barak responded that in the past the nature of the support consistently mentioned by the community was supplemental support such as scholarships and physical facilities. He cautioned that community leaders would not be able to tell the Regents by July 1 what their exact commitment would be because the community's commitment was pending the development of a prioritized plan for the facility. The planning effort is to get underway July 1.

Regent Tyrrell said it was his recollection that the Regents approved a 3-year plan.

President Berenstein said he felt this was a one-year commitment. If the community does not participate the Regents' commitment might not be for more than one year. He asked if that was Director Barak's understanding. Director Barak responded that it was.

President Curris questioned whether they would be better off deferring this docket item to the July meeting. He was concerned that they should see everything out in front in terms of the total plan.

President Jischke noted that university officials do not have any idea what it will cost to bring the physical plant up to reasonable standards. It could be millions of dollars. He felt they should have a preliminary cost estimate.

Regent Hendricks noted that Director Barak said the community would not be able to provide any substantive information by July 1.

Director Barak said the community leaders represent in part a foundation which has many purposes. Once the needs are identified, the community will try to raise funds to assist in the effort. He was not sure what they could provide by July 1.

President Berenstein said the Regents will provide the first \$300,000 to get the three-year plan started. Anything beyond the first year would be contingent on sufficient community support.

Regent Newlin said he thought the \$300,000 was contingent upon participation of the community. The Regents should not commit the \$300,000 until they have received a commitment from the community. He said the Regents should consider deferring this matter this month.

Regent Tyrrell said he was familiar with community fund-raising activities. It would be unreasonable to expect the community to achieve its fund raising in the next 30 days especially if they had not yet even been presented with a priority plan. The community will have to have a little longer to fulfill its obligation.

Mr. Richey stated that a lot of work had gone into trying to reach an agreement on the future of Lakeside Lab. The University of Iowa wanted to cancel its funding three years ago. A lot of meetings have taken place over the three years since then. The community indicated it would assist with facilities and scholarships once specific projects were identified. Disposal of Lakeside Laboratory, it was agreed, would not be an option. He said the proposal before the Board at this meeting honored the commitment arrived at last year. What could possibly be presented in July would be a further statement from the community about how it will fulfill its stated mission for support of Lakeside Laboratory. He cautioned that if there were any hint that the Board might not be supportive, then they would be back to "square one".

President Berenstein said the community needed to quantify what local commitment means. If the Regents commit \$300,000 and the community commits \$10,000, for example, he said that was not a commitment on their part.

Regent Hendricks said it was her recollection that when the community addressed the Regents they were told that the Regents would like see dollars up front from the community. The community could have started a fund-raising movement with actual projects to be identified at a later date.

President Rawlings stated that some students were already at Lakeside Laboratory. The budget before the Regents now would provide the educational opportunities for those students beginning July 1. The program is underway; the director begins July 1. He wanted everyone to be aware that they did not have the luxury of examining this matter again at length.

President Berenstein said the Regents have a firm commitment; however, there is confusion as to what the community participation will be.

Associate Provost Davis stated that approximately 50 students are enrolled for the upcoming session at Lakeside Laboratory. The core of the program relates to undergraduates but there are also graduate students involved at the Laboratory. The program averages 37 undergraduate students.

President Berenstein noted that \$300,000 for 37 students was a lot of money.

Regent Tyrrell stated that he agreed with President Rawlings -- that the Regents have committed \$300,000 for one year. They could ask for a progress report and state that future plans are contingent on the community's commitment.

President Berenstein said the Regents' future commitment would be contingent on the community's participation. He asked for a report at the July meeting.

Regent Pellett suggested that the Regents approve the preliminary budget subject to the community's commitment which will be presented at the July meeting.

Regent Collins stated that the Regents have staff and students at the Lakeside Laboratory. They have to commit the \$300,000 for the upcoming fiscal year.

President Berenstein said the Regents have to commit the funds for FY 1995. However, unless the community can bring solid information for its commitment for the following two years, everyone will get notice to not sign up students for the next 2 years.

MOTION: Regent Tyrrell moved to give preliminary approval to the proposed \$300,000 general fund budget of the Iowa Lakeside Laboratory, as presented. Regent Hendricks seconded the motion. MOTION CARRIED UNANIMOUSLY.

MOTION: Regent Tyrrell moved to request information from the local community group regarding the nature of their commitment on a continuing basis so the Regents can make plans for the second and third years of the three-year plan for the Iowa Lakeside Laboratory. Regent Johnson-Matthews seconded the motion. MOTION CARRIED UNANIMOUSLY.



President Berenstein asked that Director Barak articulate the motions to Ms. Thoreson. He said he would be willing to meet with the community group along with Director Barak, possibly during the last weekend in June.

Director Barak said he had a meeting scheduled with them for that weekend.

(h) Athletic Budgets. The Board Office recommended the Board receive the FY 1995 preliminary athletic budgets for the University of Iowa, Iowa State University and the University of Northern Iowa.

University of Iowa

Operating Income and Expense

	FY 1994 Budget	FY 1994 Estimated	FY 1995 Budget	% Change FY 1995 Budget / FY 1994 Budget	% Change FY 1995 Budget / FY 1994 Estimated
Total Operating Income	\$16,926,771	\$16,454,909	\$17,902,214	5.8%	8.8%
Total Operating Expense	\$16,926,771	\$17,077,767	\$17,902,214	5.8%	4.8%
Total Operating Balance - June 30	0	(\$622,858)*	0		

\* Year-end deficit will be covered by Athletic Fundraising Revenue

FY 1995 income from football and basketball ticket sales was budgeted to increase by 16.7 percent and 10.9 percent over FY 1994 estimates. These projections were based upon FY 1994 actual ticket sales, the home schedule (on a historical basis certain teams draw larger attendance) and an increase in ticket prices.

Single game ticket prices will increase by \$2 for both football (\$22 to \$24) and basketball (\$13 to \$15).

FY 1995 university general support (supplies & service) was budgeted to increase by 46.4 percent from the FY 1994 budget and estimate (from \$140,000 to \$205,000).

The university does not have an earmarked student athletic fee.

FY 1995 Athletic Conference income was projected to decline by \$337,000 (8.2 percent).

It was anticipated that FY 1995 alumni/foundation support would increase by \$364,443 (23.3 percent) over FY 1994 budget or \$325,714 over FY 1994 estimated.

Iowa State University

Operating Income and Expense

	FY 1994 Budget	FY 1994 Estimated	FY 1995 Budget	% Change FY 1995 Budget / FY 1994 Budget	% Change FY 1995 Budget / FY 1994 Estimated
Total Operating Income	\$11,665,000	\$11,294,500	\$10,615,807	-9.0%	-6.0%
Total Operating Expense	\$11,661,800	\$11,594,500	\$10,615,648	-9.0%	-8.4%
Total Operating Balance - June 30	\$3,200	(\$300,000)*	\$159		

\* Year end deficit to be resolved within FY 1995 athletic budget.

University support was expected to increase by \$530,944 (44.0 percent) over the amount budgeted for FY 1994 and \$123,444 (7.6 percent) over estimated FY 1994 expenditures.

Sports income was expected to decline by 13.3 percent from the amount budgeted for FY 1994 and 5.1 percent from FY 1994 estimated income.

FY 1995 receipts from the sale of football tickets were expected to decline by 15.9 percent from the FY 1994 estimate. This reflected an estimate of a 10 percent decline in season ticket sales and an accounting improvement so that only net revenue from ticket sales (gross revenue less necessary sales tax) is shown.

The 12.7 percent increase in basketball ticket revenue (FY 1995 budget / FY 1994 estimate) reflected a proposed increase in public ticket prices from \$13 to \$15 per game.

The student athletic fee is \$9.75 per semester and was projected to generate \$526,500 in FY 1995.

Sports operational expenses were projected to decline by 9.8 percent from the FY 1994 budget (13.7 percent from estimated expenditures).

Expenses for the support units were expected to decline by more than 50 percent.

A portion of the decrease was due to an accounting change. Debt service and utility costs were budgeted as a support unit expense in FY 1994; in FY 1995 they were budgeted as a project expense.

University of Northern Iowa

Operating Income and Expense

	FY 1994 Budget	FY 1994 Estimated	FY 1995 Budget	% Change FY 1995 Budget / FY 1994 Budget	% Change FY 1995 Budget / FY 1994 Estimated
Total Operating Income	\$4,071,086	\$4,047,855	\$4,147,580	1.9%	2.5%
Total Operating Expense	\$4,071,086	\$4,047,855	\$4,069,213	0%	.5%
Total Operating Balance - June 30	0	0	\$78,367		

Sports income was expected to decline by 8.2 percent from the FY 1994 budget, although general income which included season all sports tickets for football, basketball (men's and women's), wrestling and volleyball was expected to increase by 16.6 percent from the FY 1994 budget (67.7 percent from FY 1994 estimated).

Athletic club support was projected to increase by 11.2 percent (\$53,000) over the FY 1994 budget and 37.4 percent (\$142,900) over the FY 1994 estimate. FY 1995 general university support will decline slightly (2.9 percent) from FY 1994 estimated. The FY 1995 student athletic fee will be \$23.10 per semester and was projected to yield \$569,400.

Expenses for men's sports were expected to decline by 1.2 percent while expenses for women's sports were projected to increase by 8.8 percent over the amount budgeted for FY 1994.

Regent Hendricks expressed concern about the cost of tickets continually increasing. There will be some point at which the ordinary fan will not be able to afford to purchase season tickets. She said the athletic officials should be cognizant of that fact.

**MOTION:**

Regent Collins moved to receive the FY 1995 preliminary athletic budgets for the University of Iowa, Iowa State University and the University of

GENERAL  
June 14, 1994

Northern Iowa. Regent Furgerson seconded the motion. MOTION CARRIED UNANIMOUSLY.

(i) Board Office Budget for Fiscal Year 1995 and Status Report for Fiscal Year 1994.

The Board Office recommended that the Board approve the general operating budget for the Board Office of \$1,199,273 for fiscal year 1995 and the total all-funds budget of \$1,391,812.

The proposed general operating budget for the Board Office of \$1,199,273 for fiscal year 1995 was based on appropriations and salary adjustment funds of \$1,124,622, a 2.4 percent increase.

The general budget was increased by 3.9 percent or 1.6 percent exclusive of the non-recurring cost for early retirement of the Merit System Director, Donald Volm.

The proposed budget contained no change in full-time equivalent positions in fiscal year 1995.

The proposed budget included the reinstatement of the Director of Human Resources position, the elimination of the Associate Director of Human Resources/Director of Regents Merit System position and the substitution of a Research Associate position for the Associate Director position in Academic Affairs/Planning.

The proposed salaries were in accordance with State salary policy and represented an overall increase of 2.8 percent exclusive of the early retirement costs for Mr. Volm.

Travel expenditures budgeted for fiscal year 1995 assume a more normal pattern for the Board of Regents and the Board Office.

The budget for outside services included the additional costs for the new computer system.

The proposed budget for items within the other operating expenditure category were budgeted at about the estimated level for fiscal year 1994.

Estimated revenues from miscellaneous receipts and institutional reimbursements were up by about \$19,000 which was caused by the non-recurring early retirement expense of Mr. Volm.

The total Board Office budget consisted of the Facilities Officer and the Affirmative Action Officer which were contained in the University of Iowa budget and financed jointly by all of the Regent institutions.

The increase in the total budget from all sources for the Board in fiscal year 1995 was projected to be 3.9 percent exclusive of the non-recurring costs of early retirement, or an overall increase of six percent.

The estimated expenditures for fiscal year 1994 were substantially unchanged from the report to the Board in May except for the addition of \$1,000 that was budgeted for advertising for the newly-created position, Director of Human Resources, which the Board approved in May.

Mr. Richey stated that the budget was in line with what was submitted last month. The budget presented this month was embellished to show all the positions and programs that are operated out of the Board Office. He noted that the salary of the Executive Director is set by the Governor within a range established by the General Assembly. The Executive Director's salary will be reflected in the final budget.

Regent Tyrrell asked for the reason for the approximate \$53,000 increase in miscellaneous receipts reimbursements from the FY 1994 budget to the proposed FY 1995 budget. Mr. Richey responded that the main components of the increase were the cost of early retirement for Mr. Volm and computer expenses.

**MOTION:** Regent Furgerson moved to approve the general operating budget for the Board Office of \$1,199,273 for fiscal year 1995 and the total all-funds budget of \$1,391,812. Regent Collins seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

**EXECUTIVE SESSION.** President Berenstein requested the Board enter into closed session pursuant to Code of Iowa section 21.5(1)(i) upon the requests of employees whose performances were being considered.

**MOTION:** Regent Furgerson moved to enter into closed session. Regent Tyrrell seconded the motion, and upon the roll being called, the following voted: **AYE:** Berenstein, Collins, Furgerson, Hendricks, Johnson-Matthews, Newlin, Pellett, Tyrrell.

GENERAL  
June 14, 1994

NAY: None.  
ABSENT: Dorr.

**MOTION CARRIED UNANIMOUSLY.**

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 11:10 a.m. on Tuesday, June 14, 1994, and recessed therefrom at 12:28 p.m. on that same date.

**REPORT BY ISSUE STUDY GROUP ON AFFIRMATIVE ACTION.** The Priority Study Group on Affirmative Action recommended the Board hear the presentation of Dr. Scharron A. Clayton, Associate Professor and Assistant Dean of the College of Humanities and Fine Arts, University of Northern Iowa, on the subject of recruitment and retention of students and faculty of color.

Regent Furgerson stated that Dr. Clayton and she are members of a think tank. Regent Furgerson asked Dr. Clayton to address the Affirmative Action Priority Study Group when it met last month at the University of Northern Iowa. Her presentation was outstanding. Regent Furgerson reminded the Regents that the Board made a commitment to recruiting and retention of minorities. She then introduced Dr. Scharron Clayton.

Dr. Clayton thanked the Regents for inviting her to share her thoughts around the issues of recruitment and retention of students and faculty of color. She said her comments were based on 27 years of experience in education, 17 of which have been spent in the state of Iowa.

Dr. Clayton stated that the status of ethnic minorities on the Regent campuses is in jeopardy. Recent statistics reveal a glaring difference in persistence among students of color when compared to their white cohorts. University administrators wish to hire faculty of color but are often unable to attract such a population; and, when they do, cannot retain this population.

Dr. Clayton highlighted five basic underpinnings of recruitment and retention:

- 1) Attrition is a product of risk, inherent in the concept of risk is the statistical concept of probability.
- 2) Campus climate impacts the tenure probability of cultural populations on predominantly white campuses.
- 3) Behavior is a function of people interacting with environments. Both expectations and perceptions impact behavior.
- 4) The increase in the presence of minorities will accompany an increase in use of stereotypes among persons in the environments, and campuses must stand prepared to address this issue.
- 5) Resource allocation and utilization must be collaborative in nature.

GENERAL  
June 14, 1994

With regard to recruitment, Dr. Clayton stated that recruitment must be grounded factually. A plan of action for a system must be set up based upon the utilization of existing campus data. She said administrators should ask themselves whether they are inviting faculty of color merely to increase numbers or to enhance the scholarship of a department. They should ask what national programs are utilized for identification and what is happening in Iowa. Who is responsible for allocating funding? She said they cannot depend solely upon the Upward Bound program to recruit minority students. How is the IMAGES program faring? What curriculums are in place that are attractive to new scholarship? Finally, she said they should determine who asks the hard questions to promote recruitment on the campus.

Dr. Clayton addressed retention. She said students leave for both non-academic and academic reasons. Students and faculty of color walk into risky environments on the overwhelming majority of predominantly white Iowa campuses. She said sound programs need to be designed to reduce the risk of these populations on our campuses. Successful programs are holistic and include as a first step the identification and assessment of existing efforts followed by a coordination of services when necessary; blend seamlessly academic and student affairs; and, carefully assess the campus climate and direct systemic change efforts toward climate issues. She said successful efforts must include faculty. Race and class issues related to people of color must be understood, respected and embraced by the campus. Retention should include academic and social integration. Risk is more than a test score. She said good, solid students do not always finish. The scholarship interests of faculty and graduate students of color need support, understanding and appreciation by the entire academy. Finally, she said systemic and individual change are equally important.

In closing, Dr. Clayton stated that there are many strategies for use in recruitment and developing programs to reduce risk. They must keep in mind that while campuses have focused on representation, support, integration and multiculturalism, campus paradigms have shifted over the past 20 years. The campuses may be out of sync with what people of color seek -- transformation of climate, respect and celebration of who they are. She stated that one of the most challenging tasks in preparing for the 21st Century is that of confronting and solving racial issues openly, honestly and directly.

Regent Tyrrell asked Dr. Clayton if she would be willing to share her written comments with the Regents. Dr. Clayton said she had indicated to Mr. Maxwell that she would give him a copy of her text.

Regent Tyrrell noted that any program would have to be long term. It won't be fast enough for some and will be too fast for others. With regard to establishing a

comprehensive program in a systematic manner, he stated that many parts are already in place. He then asked whether new ways of teaching and learning would threaten faculty.

Dr. Clayton agreed with Regent Tyrrell's statement that a lot of aspects are in place. Coordination is very important. She said most faculty and students can decide within the first few weeks on a campus whether or not they will stay. If there is a fallout with minorities there will ultimately be a fallout with other students for the same reason. She then addressed the aspect of new teaching and learning notions. She said that when talking about transformation they were talking about the need to recreate tradition. Community with diversity is the possibility of recreating tradition. As that translates into the classroom, there needs to be another way to deliver the message; changing from a didactic lecture format to something that is more involved with people. She said there are connectors that can be adopted on campuses that will enhance the change possibilities in the classroom that would benefit everyone, not just students of color. One of those connectors is for faculty to become very familiar with their own beliefs that direct the selection of materials, their own attitudes that direct their style of delivery, and to critically analyze themselves so that they can begin to put the student at the center and deliver in a different manner. With regard to different ways of learning, Dr. Clayton said there are different delivery methods that work for different people such as the use of visuals may enhance learning for some populations.

Regent Tyrrell referred to college campuses today that have centers for each ethnic group and questioned whether that practice may tend to reinforce cultural differences rather than offer support in becoming part of the whole.

Dr. Clayton responded that focusing on differences was not the reason that enclaves develop on campuses. She said that difference will make a difference in our society until difference doesn't make a difference any more. Recognizing difference is the first step. Being educated to a point where you can embrace and celebrate differences adds to unity and not to divisiveness. There is a gap between the recognition of difference and the education to understand those differences so that unity can occur.

Regent Furgerson said she agreed with Dr. Clayton. She stated that some people do not realize the amount of time and energy spent by people of color justifying their existence.

President Berenstein stated that he would like to participate in a different forum, not necessarily a meeting setting, where Dr. Clayton could articulate her thoughts. He asked that Dr. Clayton and her think tank consider the possibility of a seminar to bring people of all colors together which he thought would accomplish a lot.



Regent Furgerson noted that in preparing for this presentation Dr. Clayton included Rusty Barcelo and other people of color. With regard to President Berenstein's suggestion of a seminar, she said their group would be pleased to assist in that effort. She noted that there are some myths that, without experience, some white people buy into that persons of color do not buy into.

Dr. Clayton asked that as the Board continues to look at attrition, recruitment and retention on the campuses that they focus on risk factors, ask the hard questions, and look for accountability and responsibility around these issues.

President Berenstein asked whether at any time Dr. Clayton planned to speak in Sioux City. Dr. Clayton responded that she would be there in July. President Berenstein asked that she tell him where and when, and he would attend.

Regent Furgerson asked if President Berenstein was seriously interested in a seminar with the think tank because, if so, they would work on it with Mr. Richey. President Berenstein responded that he was absolutely serious.

**ACTION:** President Berenstein stated the Board received the presentation of Dr. Scharron A. Clayton, Associate Professor and Assistant Dean of the College of Humanities and Fine Arts, University of Northern Iowa, on the subject of recruitment and retention of students and faculty of color, by general consent.

**CAPITAL IMPROVEMENT PLANS FOR FISCAL YEAR 1995.** The Board Office recommended the Board receive the report on Board of Regents FY 1995 capital improvement plans and tuition replacement estimate with the understanding that the proposed projects are subject to further review and availability of funding and specific project approval by the Board.

This report presented an overview of the institutions' FY 1995 anticipated capital improvement projects to be financed from all funds.

Projects to be funded by academic revenue bonds authorized by the recent legislature were included.

All other projects listed are those for which the Board has not been asked to approve a project description and budget.

Some of the projects will be underway during the next fiscal year; planning for others will begin during that time.

Projects not included on the lists which have already received Board approval or for which approval was recommended in this month's docket included the West Campus Parking Ramp Expansion and Main Power Plant - Modification of Boiler No. 11 at the University of Iowa and the Engineering Teaching and Research Complex at Iowa State University.

The distribution of the 67 anticipated projects with an estimated cost of \$206.3 million by institution for FY 1995 was as follows:

	# Of Projects	Estimated Cost
University of Iowa		
General University	18	\$ 43,840,000
University Hospitals	15	\$ 24,975,000
Iowa State University	17	\$ 92,400,477
University of Northern Iowa	13	\$ 44,747,000
Iowa School for the Deaf	3	\$ 245,000
Iowa Braille & Sight Saving School	1	\$ 60,000
Total	67	\$206,267,477

Distribution by type of project:

<u>Category</u>	<u>Estimated Cost</u>
Fire and Environmental Safety	\$ 3,093,447
Deferred Maintenance for Buildings	\$ 14,932,502
Deferred Maintenance for Utilities	\$ 1,600,000
New Construction	\$144,411,376
Utility Expansion/Improvements	\$ 1,900,000
Remodel/Renovation	\$ 32,780,152
Telecommunications Improvements	\$ 6,000,000
Other (Parking, Roads)	\$ 1,550,000
Total	\$206,267,477

Distribution by source of funds:

<u>FUND SOURCE</u>	<u>AMOUNT</u>
FY 1994 Academic Revenue Bonds	\$ 30,750,018
FY 1994 State Appropriations	\$ 135,000
Building Repair	\$ 4,849,055
Future State Appropriations	\$ 44,100,000
UIHC Building Usage Funds	\$ 25,125,000
Federal Funds	\$ 34,480,000
Gifts	\$ 24,745,000
Institutional Funds	\$ 3,287,104
Residence System Reserves	\$ 1,240,000
Student Fees	\$ 6,000,000
Telecommunication Enterprise	\$ 4,050,000
Utility Enterprise	\$ 3,000,000
Treasurer's Temporary Investments	\$ 4,756,300
Revenue Bond	\$ 12,000,000
Other	\$ 7,750,000
Total	\$206,267,477

Tuition Replacement

The tuition replacement appropriation for FY 1995 was \$25,843,645. Tuition replacement appropriations represent an ongoing commitment of the Governor and General Assembly to meet the debt service cost of Academic Building Revenue Bonds.

Tuition and fee revenues are used for debt service payments on Academic Building Revenue Bonds.

The tuition replacement needs are comprised of debt service payments (principal and interest), less the net interest earned on the bonds' reserves and on cash flow during construction.

The Board's financial advisor, Springsted, Inc., projects tuition replacement needs for each campus based on known debt service obligations and the universities' estimates of investment earnings.

**ACTION:** President Berenstein stated the Board, by general consent, received the report on Board of Regents FY 1995 capital improvement plans and tuition replacement estimate with the understanding that

the proposed projects were subject to further review and availability of funding and specific project approval by the Board.

**REPORT OF THE BANKING COMMITTEE.** The Board Office recommended the Board (1) approve the selection of an international equities fund manager and (2) receive the report on current Banking Committee items.

Regent Hendricks stated the Banking Committee had met that morning and considered several items. The Banking Committee approved the sale of academic building revenue refunding bonds for the University of Iowa and the University of Northern Iowa, subject to the receipt of acceptable bids. The Board was scheduled to receive bids on those bonds at 2:00 p.m. (Information on the bond sales can be found in the institutional portions of these Minutes, pages 1094 and 1125.)

Regent Hendricks said the Banking Committee received internal audit reports, external audit reports and State audit reports, and a report on institutional banking relationships. The Banking Committee approved a request from Iowa State University for a master lease purchase.

**MOTION:**

Regent Hendricks moved to permit Iowa State University to draw up to \$550,000 under the Norwest Master Lease Agreement to finance the purchase and installation of a new main scoreboard, fascia scoreboards, and a new sound system for Cyclone Stadium - Jack Trice Field. Regent Collins seconded the motion, and upon the roll being called, the following voted:  
AYE: Berenstein, Collins, Furgerson, Hendricks, Johnson-Matthews, Newlin, Pellett, Tyrrell.  
NAY: None.  
ABSENT: Dorr.

**MOTION CARRIED UNANIMOUSLY.**

Regent Hendricks stated the Banking Committee approved the selection of Walter Scott & Partners as international equities fund manager.

**MOTION:**

Regent Hendricks moved to approve the selection of Walter Scott & Partners as international equities fund manager. Regent

GENERAL  
June 14, 1994

Collins seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

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

**VENDOR WITH POTENTIAL CONFLICT OF INTEREST.** The Board Office recommended the Board approve the request of the University of Northern Iowa to add the name of Terry Sheerer dba The Woodworks to the list of approved vendors with a potential conflict of interest.

University of Northern Iowa officials requested that the name of Terry Sheerer be added to the list of approved vendors with a potential conflict of interest.

Terry Sheerer dba The Woodworks sells custom wood products.

Mr. Sheerer is employed as Assistant Manager, Grounds-Landscape Department. Mr. Sheerer stated that his area of job responsibility consists of day-to-day supervision of maintenance on the university grounds. Mr. Sheerer has no job responsibilities for recommending or influencing any university department at the University of Northern Iowa concerning decisions to purchase custom wood products.

**MOTION:** Regent Hendricks moved to approve the request of the University of Northern Iowa to add the name of Terry Sheerer dba The Woodworks to the list of approved vendors with a potential conflict of interest. Regent Johnson-Matthews seconded the motion, and upon the roll being called, the following voted:  
AYE: Berenstein, Collins, Furgerson, Hendricks, Johnson-Matthews, Newlin, Pellett, Tyrrell.  
NAY: None.  
ABSENT: Dorr.

**MOTION CARRIED UNANIMOUSLY.**

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

GENERAL  
June 14, 1994

Resignation of ROB SPECTER, Director of Business and Finance, effective July 22, 1994.

President Berenstein stated that the Board was sorry to lose Director Specter. He said Mr. Specter had done a great job, made a lot of friends and was wished lots of luck.

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

**APPOINTMENTS TO COMMITTEES AND ORGANIZATIONS.** The Board Office recommended the Board (1) appoint Betty Jean Furgerson to the Iowa Public Broadcasting Board for a three-year term beginning July 1, 1994, and ending June 30, 1997; and (2) approve the following appointments to the ISD and IBSSS Advisory Committees for terms beginning Fall 1994 and ending Summer 1996:

ISD Advisory Committee - Charles Anderson, SUI; Anton Netusil, ISU; Richard Stinchfield, UNI; Peter Ripley, Consultant.

IBSSS Advisory Committee - Kathryn Gerken, SUI; Elizabeth Ann Thompson, ISU; Sandra Alper, UNI; Betty Butler, Blind Member; Yvonne Howze, Consultant.

Section 303.77 of the Code of Iowa authorizes the Board of Regents to appoint one member to the Iowa Public Broadcasting Board. President Berenstein recommended the reappointment of Betty Jean Furgerson. Regent Furgerson, who was appointed to the Broadcasting Board by the Governor in 1980, has served as the Regent representative since 1989. She has been President of the Broadcasting Board since 1986.

Nominees to the ISD Advisory Committee were all reappointments. There were three new appointments to the IBSSS Committee:

Dr. Sandra Alper, Head of Special Education (effective Fall 1994) at University of Northern Iowa.

Dr. Yvonne Howze, Superintendent of Missouri School for the Blind.  
Dr. Howze's professional interests are transition from school to community and employment of persons with disabilities, areas of particular interest to IBSSS.

Betty Butler, Itinerant Teacher for Visually Impaired Students at AEA 7.

William Callahan, University of Northern Iowa, whose term expired this year, was named to serve on the Iowa Braille and Sight Saving School Committee while Marion Thompson is on a professional development leave.

**MOTION:** Regent Johnson-Matthews moved to (1) appoint Betty Jean Furgerson to the Iowa Public Broadcasting Board for a three-year term beginning July 1, 1994, and ending June 30, 1997; and (2) approve the appointments to the ISD and IBSSS Advisory Committees for terms beginning Fall 1994 and ending Summer 1996, as presented. Regent Collins seconded the motion.  
**MOTION CARRIED UNANIMOUSLY.**

President Berenstein stated that on the docket for next month's Board meeting he would have recommendations for appointments to committees including priority study committees.

**REPORT ON WAY-UP CONFERENCE TO BE HELD NOVEMBER 11-12, 1994.** The Board Office recommended the Board receive the report.

"The Way Up XII, Women of the 90's: Partnerships for Change" will convene at the Five Seasons Hotel in Cedar Rapids at 8:00 a.m., Thursday, November 10, and close at 2:00 p.m., Friday, November 11.

Regent Furgerson, a member of the Planning Committee for The Way Up XII, provided information on the conference, which is for women who have chosen or are interested in positions of leadership in higher education.

The conference will focus on the many ways partnerships relate to higher education, such as creating partnerships, identifying partnerships, nurturing partnerships, and mentorships.

Concurrent programs in the form of workshops, panels, and informal sessions will allow participants to focus on the conference theme.

The Planning Committee anticipates that universities and colleges involved in the conference will make scholarships available for faculty, for professional and scientific staff, and for merit employees to attend.

Co-chairs of the conference are Debra Carlson Wood, Vice President for Student Affairs at Coe College; and Donna Loewen, Director of Continuing Education, Graduate Division, at Loras College.

Regent Furgerson stated that as plans for the conference come forward, she would keep the Regents informed. She said it would be good if Regents and institutional heads could take advantage of at least part, if not all, of the conference.

President Berenstein asked whether the Regents were on the mailing list for conference materials. Regent Furgerson said she would make sure their names were on the mailing list.

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

#### **REPORT ON MEETING OF THE IOWA COLLEGE STUDENT AID COMMISSION.**

The Board Office recommended the Board receive the report.

The Iowa College Student Aid Commission held its monthly meeting on the campus of Clinton Community College. A number of reports were presented to the Commission.

The legislative report indicated that the General Assembly provided \$25,000 from Lottery resources for grants to students attending a licensed school of cosmetology or a licensed barber school. The Higher Education Strategic Planning Council is abolished effective July 1, 1995. The Council has about \$28,000 in carry-over funds for fiscal year 1995 that may be utilized. The legislature required that a study be done in cooperation with Palmer College of Chiropractic of the financial needs of Iowa resident chiropractic students and the demand for chiropractic health care practitioners in Iowa. The purpose of the study is to ascertain whether a chiropractic forgivable loan program should be established.

The allocations for fiscal year 1995 of State work-study funds were approved by the commission. The allocations to the Regent universities are down slightly from \$1,432,000 to \$1,407,000. Allocations decreased about \$50,000 at the University of Iowa and were increased by about \$15,000 each at the University of Northern Iowa and Iowa State University.

The commission staff reported that the Federal Omnibus Budget Reconciliation Act of 1993 requires states to share in the cost of defaults with schools that have high default rates. If the default rates exceed 20 percent, states would be required to pay the federal government an amount to be determined by formula. According to the



commission staff, approximately 14 Iowa schools have default rates over 20 percent. The state could suffer a penalty from \$100,00 to \$200,000 in fiscal year 1996, up to \$320,000 in fiscal year 1997 and up to \$800,000 in fiscal year 1998. The method of passing on the penalties within the states has not been determined. The legislation becomes effective October 1, 1994.

**ACTION:** This report was received by consent.

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

July 20-21, 1994	Iowa State University	Ames
September 7-8	University of Northern Iowa	Cedar Falls
October 19-20	University of Iowa	Iowa City
November 16-17	Iowa State University	Ames
December 14-15	To Be Determined	Des Moines
January 18, 1995	Telephonic	
February 15-16	University of Northern Iowa	Cedar Falls
March 15-16	Iowa State University	Ames
April 19-20	University of Iowa	Iowa City
May 17-18	Iowa School for the Deaf	Council Bluffs
June 21-22	University of Northern Iowa	Cedar Falls
July 19-20	Iowa State University	Ames
September 20-21	University of Iowa	Iowa City
October 18-19	University of Northern Iowa	Cedar Falls
November 15-16	Iowa State University	Ames
December 13-14	To be determined	Des Moines

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

President Berenstein 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 Tuesday, June 14, 1994.

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

Register of Personnel Changes for April 1994.

Appointments of Douglas True as Treasurer and Douglas Young as Secretary in accordance with Chapter 262.9 of the Code of Iowa for the fiscal year beginning July 1, 1994.

Provided for the Board's information was the appointment of Robert P. Kelch, M.D., as Dean of the College of Medicine, effective August 15, 1994, at an annual salary of \$290,000.

**MOTION:** Regent Collins moved to ratify personnel transactions, as presented. Regent Furgerson seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

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

University of Iowa officials submitted its proposed course changes which included additions, courses dropped, changes in course credit, and changes in course titles. The data indicated that since the last report, 427 courses were added to the curriculum while 383 were dropped for a net increase of 44 courses. Course additions that were related to new program requests were reported in separate actions in the university's docket.

The relatively large number of total changes in course listings (1,466), as compared to last year's report of 989, reflected adjustments made in connection with the biennial preparation of the university catalog.

STATE UNIVERSITY OF IOWA  
June 14, 1994

University officials indicated that changes in course offerings represented the continuing response of the university to the changing educational needs of students, changing disciplinary emphases, and the vitality of its faculty.

The following is a brief summary of the changes.

Department	Courses Add	Drop
<i>College of Dentistry.</i> The net result of course changes reflects implementation of the Master's degree in Oral Science and the phasing out of the Dental Hygiene courses.	+4	-12
<i>College of Medicine.</i> Thirty-five new courses have been added and 18 courses have been dropped. These activities represent a normal turnover in departmental course offerings, the expansion of the information base and increased scholarly effort and the broadening of the base of teaching efforts. Of particular note is the initiation of a new Ph.D. track in Immunology.	+35	-18
<i>College of Nursing.</i> The college is emphasizing the need for advanced practice nurses and requests permission to add a rural health gerontological nurse practitioner option to the gerontological nursing track, and an anesthesia nursing program.	+ 5	-5
<i>College of Pharmacy.</i> The college indicates that the modification of the baccalaureate pharmacy program into the Pharm.D. program will set curricular trends for the College of Pharmacy for the foreseeable future. Emphasis in the new curriculum is on enhancement of communication skills and earlier involvement with the concept of pharmaceutical care.	+14	-2
<i>Liberal Arts.</i> The merger of the Department of Physical Education and Sports Studies and the Department of Leisure Studies caused a complete reconsideration of course offerings for the new department of Sports, Health, Leisure and Physical Studies. Changes in undergraduate general education course offerings were few in number. New courses reflect a response to the college's decision to require every student to do some work in Fine Arts as a part of the Humanities General Education Requirement.	+290	-250
<i>Business Administration.</i> With the move into the new John Pappajohn Business Administration Building complete, the college is taking advantage of facilities that are state-of-the-art in technology and appropriate in capacity. The autonomous School of Management which administers the MBA program began operation in January 1994.	+6	-11

STATE UNIVERSITY OF IOWA  
June 14, 1994

Department	Courses	
	Add	Drop
<i>Education.</i> The changes reflect 1) consolidation of courses across programs and responses to changes in the programs themselves, e.g., merger of departments; 2) changes/additions in response to suggestions by accrediting and licensing bodies; and 3) offering of new courses by recently hired faculty with new expertise or by existing faculty whose teaching focus has changed.	+36	-21
<i>Engineering.</i> The report notes that "Technology components are substantial and evolutionary changes are reflected in yearly updates in the majority of courses." New environmental engineering courses are likely to be offered. A trial offering of an advanced undergraduate course on entrepreneurship for both Business and Engineering students is planned for the '94 fall term.	+15	-38
<i>Law.</i> Three curricular trends are represented by the changes: 1) Expanding opportunities in International and Comparative Law fields, 2) Growing interdisciplinary competence and interest among Law faculty and students, and 3) Increased emphasis on practical skills training.	+22	-26
<b>Totals</b>	<b>+427</b>	<b>-383</b>
<b>Net Result</b>		<b>+44</b>

**ACTION:** This matter was referred by consent.

**DEGREE DESIGNATION CHANGE - B.S. IN ENGINEERING.** The Board Office recommended the Board refer the University of Iowa's report on the need to change degree designation wording for the B.S. in Engineering to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The University of Iowa Department of Civil and Environmental Engineering has developed three emphasis options within its undergraduate major: environmental, structural, and hydraulics and water resources.

Nationally there has been a trend to create more environmental engineering options within degree programs. Creation of three new emphases options will help the College of Engineering recruit undergraduate students in a competitive market.

Degrees are currently recorded as follows:

Bachelor of Science in Engineering  
Major/Civil Engineering.

Beginning in December 1995, students may select one of three options and have their degrees recorded as follows:

Bachelor of Science in Engineering  
Major/Civil Engineering (Environmental)

Bachelor of Science in Engineering  
Major/Civil Engineering (Structural)

Bachelor of Science in Engineering  
Major/Civil Engineering (Hydraulics and Water Resources)

**ACTION:** This matter was referred by consent.

**NAME CHANGE - CLINICAL LABORATORY SCIENCES PROGRAM.** The Board Office recommended the Board accept the University of Iowa's proposal to change the name of the Medical Technology Program to the Clinical Laboratory Sciences Program.

The Medical Technology Program currently grants a certificate in Medical Technology. Graduates are called medical technologists. The term "technologist" no longer adequately nor accurately describes the level at which graduates are expected to function upon graduation, according to the university's proposal.

Graduates typically work in clinical or research laboratories to produce data aiding in the diagnosis of disease, monitoring of treatment, and development of new understanding of disease and treatment.

The level of reasoning ability, skills, and knowledge implied by a baccalaureate degree from the University of Iowa and required to perform the job well would be better recognized by the designation "clinical laboratory scientist."

The name change was consistent with changes that have occurred nationally. There were no programmatic changes as a result of the name change.

**ACTION:** This matter was accepted by consent.

**PARTICIPATION OF THE UNIVERSITY OF IOWA HEALTH SCIENCES CENTER IN A STATEWIDE ORGANIZED HEALTH CARE DELIVERY SYSTEM.** The Board Office recommended the Board authorize the University of Iowa to execute a Memorandum of Understanding relating to the formation of an Organized Health Care Delivery System

by the Iowa Health System, the Mercy Health Services, the University of Iowa, and the IASD Health Services Group.

President Berenstein stated that he was general counsel for Marion Health Center in Sioux City which is an affiliate of Sisters of Mercy Health Corporation and Mercy Health Center and Services which is anticipated to be a party to this agreement. He said he had a conflict of interest and would not participate in the discussion or the vote. President Berenstein then left the meeting room.

Regent Newlin stated that he was a member of the board of Iowa Health Systems, which is the Methodist-Lutheran group in Des Moines, which was also anticipated to be a party to this agreement. He said he would not participate in the discussion or the vote. Regent Newlin then left the meeting room.

University of Iowa officials requested Board approval to execute a memorandum of understanding relating to the formation of an Organized Health Care Delivery System. The proposed system will be comprised of the Iowa Health System, the Sisters of Mercy Health Corporation, the University of Iowa, and the IASD Services Group (Blue Cross/Blue Shield).

Two significant evolving changes in the United States health care services system have been discussed on several past occasions with the Board.

- o movement from payment on a "fee for service" basis to a capitated reimbursement basis and
- o increasing aggregation of health care services providers and hospitals into integrated systems of health care services delivery.

Organized delivery systems (ODS) is the term for organizations that bring together a comprehensive array of health care providers and hospitals.

The Iowa state legislature has enabled both the formation of purchasing alliances and the creation of accountable health plans that can offer comprehensive health care services.

Since the passage of enabling legislation, independent health insurance brokers have formed purchasing alliances, physicians have formed large practice groups, hospital mergers have occurred, and a number of Iowa hospitals are reportedly organizing with physician groups into Physician Hospital Organizations in order to leverage their "selling capacity."

Effective positioning by the University of Iowa Health Sciences Center in this evolving marketplace is critical to health care in Iowa. The University of Iowa Health Sciences Center must maintain its accessibility and attractiveness to patients in order to continue its dual mission of educating health professionals and advancing medical knowledge.

To maintain and increase quality in the future, the University of Iowa Health Sciences Center must become part of integrated, managed care systems.

The Iowa Health System, Sisters of Mercy Health Corporation, and IASD Services Group invited the University of Iowa to discuss formation of a statewide integrated, organized health care services system. These discussions have led the various parties to conclude that the state of Iowa and its respective purchasers of care would be well served by an Organized Delivery System that integrates the respective service capabilities of the four parties.

A Memorandum of Understanding was constructed by representatives of each organization. Each participating organization was requesting the approval of its respective governing board to sign the Memorandum of Understanding and thereafter, to develop and finalize other legal documents to form the statewide Organized Delivery System as an Iowa corporation.

Several important points regarding the Memorandum of Understanding were noted:

The Memorandum of Understanding is a non-binding letter of intent to negotiate a definitive agreement.

The university's expected capital contribution of \$3 million will come from the earnings of the University of Iowa Hospitals and Clinics and the Faculty Practice Plan.

A \$50,000 earnest money payment will be made to the Organized Delivery System at the time of formation to cover initial expenses.

Participation in the statewide Organized Delivery System will subject the university to two kinds of risk:

The university could stand to lose its capital contribution of approximately \$3 million should the managed care venture prove financially unsuccessful.

The university will undertake "provider" risk that it will not be able to perform agreed-upon services at a cost less than or equal to reimbursement.

There will be reciprocal purchase of stock by CommUnity Financial and Insurance Corporation, a fully-owned subsidiary of Blue Cross/Blue Shield of Iowa and South Dakota and the Organized Delivery System.

CommUnity will own 20 percent of the stock in the Organized Delivery System while the Organized Delivery System will initially own 20 percent of CommUnity.

The reciprocal purchase of stock will give the Organized Delivery System governance rights in the insurance company while CommUnity will benefit from its ability to influence the direction of the Organized Delivery System.

Iowa Health System, Mercy Health Services, and the University of Iowa will share 80 percent of the stock in the Organized Delivery System.

The Board of Directors of the Organized Delivery System will be dominated by physicians to ensure that quality of care is maintained.

Upon Board approval of the Memorandum of Understanding, Articles of Incorporation will be brought to the Board for approval in July.

President Rawlings stated that for a number of months university officials have been studying the implications of this country's health care reform movement for the health sciences center at the University of Iowa, which he said was very significant. University officials have briefed the Board members on several occasions. They have had very successful collaborations with other potential partners although nothing has been formally enacted. Vice President Manasse has been working for the past months on the issue.

Vice President Manasse stated that University of Iowa officials were seeking the Board's approval of a Memorandum of Understanding that would allow them to formally negotiate with other potential providers on the development of a statewide system. University officials have previously discussed the positioning of the health sciences center to maintain its primacy in the marketplace. He said managed competition approaches to financing and delivering health care are maturing in this state. University officials were assuring the continued viability of the UIHC because of its deep commitment to the people of Iowa and the provider community. It is important



that the University of Iowa Health Sciences Center be a player, maintain collaboration with referring physicians and preserve the institution as a center of excellence.

There are very specific needs of the university health sciences center including an adequate flow of patients through the facility. In this new and evolving marketplace patients should be able to continue to have freedom of choice. The mandated competition model includes the ability to exclude health sciences centers. The participants in this joint venture were creating a framework for offering new health insurance options.

Vice President Manasse stated that university officials would be coming to the Board in the next month with a proposal to offer a new health insurance product to faculty and staff as a result of this collaborative effort. He said the Memorandum of Understanding provides University of Iowa officials with an opportunity to meet with other health care provider organizations and to be an active player in future health care for Iowa.

Vice President Manasse reviewed the listing of participants in the proposed venture. He said the program is largely based in the Des Moines area but also has broad geographic coverage within the state. For those areas that are not directly involved, the organized delivery system will have to contract with hospitals and physicians to provide services in those areas of the state.

Vice President Manasse said the University of Iowa's proportional dollar share is approximately \$3 million. The number may change depending on final developments and decisions. It will also place \$50,000 as a placeholder for equity ownership which represented another fiscal risk to the university. He stated that a tremendous amount of legal and financial work needs to be done to finalize the agreement. Mr. Schantz and others have been working closely on this matter and were present to respond to Regents' legal questions.

There are some risks in the joint venture, which Vice President Manasse described. He said the marketplace is evolving and provided examples of consequences to other academic health science centers in the country. They chose Blue Cross/Blue Shield as the insurance partner because it holds a dominance in the Iowa marketplace. If the University of Iowa did not participate, the flow of patients could be shut off with dire consequences.

Vice President Manasse stated that the University of Iowa was invited to the table to participate in the further development of this corporation. He said there were some special issues of which they needed to be aware. As with any business proposition, there may be a need to make some critical decisions about who can participate. It will

not be possible to accommodate all the hospitals and physicians in the state. They need to pay special attention to the health care needs of people of Iowa especially those under-served and those who are geographically distant. They need to define and respond to the special health care needs in the state. The University of Iowa has never become a partner with an insurance company. As part of this venture, the university will have some seats on the board of the insurance company. They have differing views of the marketplace and patient care. He hoped that university officials could bring provider and patient issues to the business decisions.

Vice President Manasse said this new venture may need some special accountability and dialogue with the Board of Regents, especially if more capitalization is required above the \$3,050,000. Under current contemplation, the University of Iowa will have three seats on the corporation's board. University officials would be pleased to recommend who those on the board might be. On some periodic basis, university officials will provide the Regents with reports on how all this is coming along. University officials will return to the Board of Regents for authorization for participation. They will be developing a provider network. There will be a number of other issues the Regents would find both interesting and for which they could be helpful. He suggested that a year after the formation of the organized delivery system university officials present the Regents with a post-closing-type of review.

Regent Collins stated that he found the way in which this matter had been handled by university officials to be very helpful. The Regents have been kept informed since the inception. He felt comfortable that the Regents had the necessary information on which to base their actions.

Regent Pellett asked for clarification on where rural Iowa will fit into this plan. Vice President Manasse said he would begin to address that question from the perspective of the individual living in a rural community who is covered by the CommUnity insurance product and is a beneficiary of the organized delivery system. He said that as CommUnity sells its premiums across the state of Iowa, a major responsibility of the board of the organized delivery system will be to assure that all the beneficiaries, regardless of location, will have accessible to them the list of services that are going to be provided. Service begins with a primary care physician who will function as the gatekeeper of their care. In rural communities that do not have primary care physicians, the board is going to have to contract with physicians outside of the communities. Maybe there will be negotiations for physicians to go into those communities for 2 or 3 days a week. The board may identify adjacent communities that have physician groups with which to contract for the provision of care or, because of distances or quality issues, the patient may be required to travel a bit further to an organized group of physicians.

Vice President Manasse said the same issue was applicable to hospitals. There will have to be a decision made as to what kind of hospitalization would be available in the local community and what types of procedures the organized delivery system would be comfortable having done in a particular hospital. He emphasized that the system is driven by primary care physicians and quality considerations. High-quality care and manageable costs are going to be the key to selling this type of insurance product.

Regent Tyrrell asked if Vice President Manasse alluded to the fact that there might be more owners of the organized delivery system than were now contemplated. Vice President Manasse said that was correct.

Regent Tyrrell stated that he had serious concerns about rural communities being adequately served under this new system. Will guidelines be developed about how far a patient will have to drive as well as quality guidelines? He then asked whether the "seats on the board" Vice President Manasse referenced were on the Blue Cross/Blue Shield board or the subsidiary's board. Vice President Manasse responded that the seats would be on the subsidiary's board of CommUnity. These products will be offered by CommUnity Financial Services which is the subsidiary.

Mr. Richey asked when the Board could anticipate being presented with additional action items concerning the proposed organization. Would the Articles of Incorporation be presented to the Board of Regents for approval in July?

Vice President Manasse said that was the target date. He stressed that there was a tremendous amount of work that needed to be done. It was anticipated that the products would be sold between September and January, and that the full offering would be available to beneficiaries effective January 1, 1995.

Regent Tyrrell asked how they would deal with anniversary dates of present plans. Vice President Manasse responded that many of the anniversary dates of present plans are January 1, 1995, which was why they were moving on this very aggressively. The January 1 timetable also applied to the offering to university employees.

**MOTION:**

Regent Tyrrell moved to authorize the University of Iowa to execute a Memorandum of Understanding relating to the formation of an Organized Health Care Delivery System by the Iowa Health System, the Mercy Health Services, the University of Iowa, and the IASD Health

Services Group. Regent Furgerson seconded the motion.

Regent Hendricks stated that because Cedar Rapids was located close to Iowa City and because her husband is part of the medical community in Cedar Rapids, she would abstain from voting on the motion.

**VOTE ON THE MOTION:** The motion carried with Regents Berenstein, Hendricks and Newlin abstaining.

**NAMING OF SOUTH PAVILION OF UIHC.** The Board Office recommended the Board approve the naming of the South Pavilion addition of the University of Iowa Hospitals and Clinics the Pomerantz Family Pavilion.

The Pomerantz Family generously agreed to donate \$3 million to help complete the UIHC South Pavilion which is now under construction. This addition to the UIHC will house a number of clinics, including the Eye Institute and the Family Care Center.

University officials wish to honor the Pomerantz family for the generous gift by changing the working name of the South Pavilion to the Pomerantz Family Pavilion. This name change was endorsed by the appropriate committee on the naming of buildings.

President Rawlings stated that it was with great pleasure that he brought this item before the Board.

**MOTION:** Regent Collins moved to approve the naming of the South Pavilion addition of the University of Iowa Hospitals and Clinics the Pomerantz Family Pavilion. Regent Johnson-Matthews seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

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

#### **PROJECT DESCRIPTIONS AND BUDGETS**

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

## STATE UNIVERSITY OF IOWA

June 14, 1994

President's Residence--Exterior Repairs and Site Improvements \$126,465

Preliminary Budget

Construction	\$ 99,200
Design, Inspection and Administration	
Consultant	10,790
Architect/Engineering Services	6,475
Contingencies	<u>10,000</u>
TOTAL	<u>\$ 126,465</u>

## Source of Funds:

Gifts to the University	\$ 63,232
Building Renewal or Income from	
Treasurer's Temporary Investments	<u>63,233</u>
TOTAL	<u>\$ 126,465</u>

The project includes repair of deteriorated wood on the exterior of the house, painting of all exterior wood surfaces, and repair of all inoperable windows. Aged and overgrown plant material on the south side of the house will be replaced with additional plantings to be installed on the east side to more completely screen the view to the parking lot.

## ARCHITECT/ENGINEER AGREEMENTS

University Hospitals and Clinics--I.V. Admixture and Sterile Products \$60,525

Preparation Facility

Hansen Lind Meyer, Iowa City, Iowa

University officials requested approval to enter into an agreement with Hansen Lind Meyer to provide design services for the project. The agreement provides for a fee of \$60,525, including reimbursables.

Amendments:

Kinnick Stadium--Press Box Improvements \$44,810

RDG Bussard Dikis, Des Moines, Iowa

University officials requested approval of Amendment #1 to the agreement with RDG Bussard Dikis to expand the design of the project to include the viewing suites, lounge and toilets at the lower level of the Press Box.

Amendment No. 1 will not result in an increase in the total project budget.

Center for University Advancement \$24,375  
Brooks Borg and Skiles, Des Moines, Iowa

University officials requested approval of Amendment #1 in the amount of \$24,375 for a preliminary study of a future building addition which would provide approximately 22,500 usable square feet of additional office space.

Multi-Tenant Facility--Oakdale Research Park--Construct Center for Biocatalysis and Bioprocessing \$4,510  
CPMI, Inc., Des Moines, Iowa

University officials requested approval of Amendment #2 to the agreement with CPMI for services in excess of previously contracted work plan hours.

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

#### CONSTRUCTION CONTRACTS

Hancher Auditorium--Renovation \$887,100  
Award to: Merit Construction Company, Cedar Rapids, Iowa  
(5 bids received)

Multi-Tenant Facility, Oakdale Research Park--Remodel for Transgenic Facility

General Contract \$309,518  
Award to: Denis Della Vedova, Inc., Albia, Iowa  
(4 bids received)

Plumbing and Piping Contract \$130,910  
Award to: Modern Piping, Inc., Cedar Rapids, Iowa  
(5 bids received)

STATE UNIVERSITY OF IOWA  
June 14, 1994

<u>Ventilating Contract</u>	<u>\$157,000</u>
Award to: Climate Engineers, Inc., Cedar Rapids, Iowa (3 bids received)	
<u>Controls Contract</u>	<u>\$57,196</u>
Award to: Control Installations of Iowa, Inc., Des Moines, Iowa (1 bid received)	
<u>Electrical Contract</u>	<u>\$90,478</u>
Award to: Meisner Electric, Inc., Newton, Iowa (6 bids received)	
<u>University Hospitals and Clinics--Neuroangiography Unit and CT Scanner Replacement</u>	<u>\$290,704</u>
Award to: McComas-Lacina Construction Company, Inc., Iowa City, Iowa (3 bids received)	
<u>University Hospitals and Clinics--General Hospital Sprinkler Installation--Phase A</u>	<u>\$289,620</u>
Award to: Blackhawk Automatic Sprinklers, Inc., Waterloo, Iowa (2 bids received)	
<u>University Hospitals and Clinics--Emergency Medical Services Learning Resources Center Relocation</u>	<u>\$258,754</u>
Award to: McComas-Lacina Construction Company, Inc., Iowa City, Iowa (2 bids received)	
<u>Medical Laboratories--HVAC and Building Upgrade--Phase III-- Mechanical Systems--Bid Package B</u>	<u>\$248,600</u>
Award to: Universal Climate Control, Inc., Iowa City, Iowa (3 bids received)	
<u>Medical Laboratories--Renovate Research Laboratory--Asbestos Abatement</u>	<u>\$34,644</u>
Award to: Environmental Technologies, Inc., Des Moines, Iowa (11 bids received)	
<u>Pharmacy Building Addition--Fire Alarm--Asbestos Abatement</u>	<u>\$28,797</u>
Award to: Site Services, Ltd., Algona, Iowa (9 bids received)	

Currier Hall--Remodel First Floor South  
Reject Bid

One bid was received on April 12, 1994, in the amount of \$619,000, which exceeded the engineering estimate by approximately 89 percent. On April 22, 1994, the Executive Director authorized the university to reject the bid and reevaluate and re-bid the project at a future date.

Iowa Memorial Union--Footbridge Repairs  
Reject Bid

One bid was received on May 4, 1994, in the amount of \$452,056.50, which exceeded the engineering estimate by approximately 41 percent. On May 19, 1994, the Executive Director authorized the university to reject the bid and reevaluate and re-bid the project at a future date.

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Medical Education Building--Construct Undergraduate Teaching Laboratory  
Merit Construction Company, Cedar Rapids, Iowa

Medical Laboratories--HVAC and Building Upgrade--Phases 1 and 2  
Modern Piping, Inc., Cedar Rapids, Iowa

University Hospitals and Clinics--Expansion of General Hospital Fire Alarm System  
S. E. Electric Company, Iowa City, Iowa

FINAL REPORTS

Jessup Hall--Renovation of Registrar's Office \$512,832.80

West Campus Chilled Water Plant--Modification for the \$469,030.38  
Isolation of Chilled Water Storage

Library--Replace Roof \$401,249.13

Main Power Plant Coal Silos and Bunker Monitoring and \$260,050.89  
and Extinguishing System

MOTION: Regent Furgerson moved to approve the university's capital register, as presented. Regent



Collins seconded the motion. MOTION CARRIED  
UNANIMOUSLY.

**APPROVAL OF LEASES AND EASEMENTS.** The Board Office recommended the Board approve the following leases and easements:

With UROSURGE, INC., for 393 square feet of business incubator space at the Technology Innovation Center at the Oakdale Research Park at the rate of \$196.50 per month for the period commencing July 1, 1994, through June 30, 1995;

With ENZYMED, INC., for 1,160 square feet of business incubator space (1,040 square feet of laboratory space and 120 square feet of office space) at the Technology Innovation Center at the Oakdale Research Park at the rate of \$926.67 per month for the period commencing July 1, 1994, through June 30, 1996;

With LAWRENCE AND PHYLLIS SWAILS for the university's use of 22,759 square feet of warehouse and office space located at 2860 Industrial Park Road, Iowa City, Iowa, at the rate of \$6,538 per month for the period commencing July 1, 1994, through June 30, 1996;

With the CEDAR RAPIDS AND IOWA CITY RAILWAY COMPANY for the university's use of 250,000 square feet of land located in Coralville, Iowa, at the rate of \$19,668 per year for the period commencing July 1, 1994, through June 30, 1997; and

With IOWA-ILLINOIS GAS AND ELECTRIC COMPANY for an easement agreement for the utility's construction and installation of a new distribution line to the University Power Plant, with easements at three separate locations, at no cost to the university.

Regent Collins stated that he had potential conflicts of interest on two of the leases and easements and would not vote on those: Cedar Rapids and Iowa City Railway Company and Iowa-Illinois Gas and Electric Company.

**MOTION:**

Regent Furgerson moved to approve the leases, as presented. Regent Johnson-Matthews seconded the motion, and upon the roll being called, the following voted:

AYE: Berenstein, Furgerson, Hendricks, Johnson-Matthews, Newlin, Pellett, Tyrrell.  
NAY: None.  
ABSTAIN: Collins.  
ABSENT: Dorr.

**MOTION CARRIED.**

**OAKDALE RESEARCH CAMPUS MASTER PLAN STUDY.** The Board Office recommended the Board receive the report.

The master plan study covers the 250-acre Oakdale Research Campus located in Coralville, approximately seven miles from the university's main campus.

The former State Tuberculosis Hospital was transferred to the university in 1965.

In recent years pressure to add additional facilities at the research campus has increased. However, until this time, no overall land use plan had been developed for the campus.

The master plan report was developed through a series of collaborative workshops. Representatives of the Oakdale Research Campus, general university and Coralville were included in the workshops.

Seventeen campus master plan goals were delineated, including:

- o Provide for Oakdale's future growth needs while keeping the quality and character of the existing Oakdale Campus;
- o Develop a clear hierarchy of vehicular and pedestrian circulation patterns that address campus needs and fit with the City of Coralville's transportation plan;
- o Develop a master plan that is flexible for future growth and development, yet provides a strong infrastructure framework;
- o Buffer campus from surrounding residential development and interstate corridor.

The master plan process included a site analysis, which examined the relationships of existing physical characteristics of the site and its immediate surroundings; and development of campus land use and vehicular circulation plans.

The design team and working committee concluded their work by establishing goals which would allow the Oakdale Campus to realize the potential of the master plan. These included:

- o Begin in phases; include landscaping to buffer the storage areas that are visible from Highway 965;
- o Establish the framework for future development: 1) maintain the "red brick" character, 2) maintain the core campus for future building growth, 3) plant material should be consistent with the Oak Hickory Association plant group;
- o Parking should be provided on the perimeter; it should be dispersed;
- o Provide connections to the Coralville regional pedestrian and bicycle path system;
- o Investigate all environmentally sensitive areas prior to any development;
- o Begin to redefine the vehicular circulation system; this most likely will develop in conjunction with future growth;
- o Oakdale Campus should not become a storage center; but, rather, a resource for the research, development and education aspects of the University of Iowa; and
- o Develop campus entrances with landscaping and signage.

The following presentation took place on June 13, 1994, in the Biocatalysis Building. Regents Berenstein, Collins, Furgerson, Newlin and Tyrrell were present.

Vice President Skorton stated that the Oakdale Research Park was a partnership between the State of Iowa, the City of Coralville, the University of Iowa and private corporations. He acknowledged the very important role of Dr. Bruce Wheaton and his staff. He then introduced Larry Wilson, Associate Director of Planning and Administrative Services, who assisted in the development of the master physical plan which was on the docket for receipt.

Associate Director Wilson reviewed the master physical plan with the Regents. He discussed parking issues, different options available, decisions on the placement of facilities, the road system, the need to improve the appearance and identity of the Oakdale Campus. He noted that the plan was a framework for development instead of an identification of specific locations. The plan was prepared in a workshop fashion with the assistance of Crose-Gardner Associates. The Oakdale campus consists of 250 acres.

Many of the buildings on site can be used but some should be phased out and replaced. Some areas of the campus should not be developed because the incline is too steep. He reviewed proposed trail locations and general land use relationships. The forest preserve will not be developed. Development should not extend into reserve land until the campus core area has been used. There needs to be a better defined main entrance to the Oakdale campus.

Regent Collins asked about financial commitments to the Oakdale campus. Vice President True stated that development of the campus would evolve over many years. As opportunities arise, they will be addressed. He said the funding for the Oakdale campus and the research park has been through external sources. He anticipated that would continue to be the case. Nothing in the master plan considered obligations of State funds.

Vice President Skorton introduced Bruce Wheaton, long-time director of the Technology Innovation Center, Oakdale Research Park, and the university's Research Foundation.

Director Wheaton discussed the relationship between the Oakdale campus and the research park. Many academic programs and outreach programs, including the university hygienic laboratory, are located on the old campus. Over the last 9 years the Oakdale campus has become the focus for technology transfer programs. Magnet centers at Oakdale include the Center for Biocatalysis and Bioprocessing, the Center for Advanced Drug Development, the National Advanced Driving Simulator, and selected College of Medicine research laboratories. He said the building to house the driving simulator will need to be at least 20,000 square feet by 50 feet high. The Technology Innovation Center contains 20,000 gross square feet. The center supports office and laboratory space, shared services, university relationships and business contacts. The Technology Innovation Center has had 15 start-up companies, 8 graduate companies and leverages State support by a 20:1 ratio.

Regent Newlin asked for the 20:1 ration in terms of dollars. Director Wheaton responded that it was \$1 million to \$20 million. He noted that Technology Innovation Center companies are based on research conducted at the University of Iowa.

Director Wheaton stated that the Oakdale research park encompasses 198 acres and there are three buildings on site currently. Infrastructure funding was as follows: \$750,000 RISE funds from the Iowa DOT, \$450,00 from City of Coralville bonding, and \$100,000 in private sector investments. He noted that the funds were previously funneled through the Wallace Technology Transfer foundation. The university is not diverting academic funds for this technology transfer effort. State operating budget support is \$100,000 for the Technology Innovation Center and \$221,000 for the Oakdale Research Park.

With regard to the University of Iowa Research Foundation, Director Wheaton stated it was established in the mid-1970s as a free-standing 501.3(c) corporation to administer patents and for intellectual property management. The foundation manages university inventions, obtains legal protection for intellectual property, licenses new technologies to business and industry, and collects and distributes royalty income. He said changes in patent law have allowed the foundation to elect title to patents created under federal funding. Director Wheaton was enormously pleased that last year the number of invention disclosures increased by 50 percent over the pervious year.

Regent Newlin asked for the number represented by the 50 percent increase. Director Wheaton responded that the number went from 40 to the low 60s. He anticipated closing this year with just under 70 invention disclosures.

Regent Tyrrell asked where patents fit into the process. Mr. Wheaton responded that the foundation receives disclosure from the inventor. It then engages external patent attorneys, files and sets up licensing. University officials prefer to have a commercial partner in tow before hiring external counsel. There are running royalties on the sale of products. The foundation receives cost reimbursement for patent expenses.

Regent Tyrrell asked for the status of the artificial blood development. Mr. Wheaton responded that artificial blood was the invention of Joe Walter at the University of Iowa. Patent protection has been obtained. The property has been licensed and is in the latter stages of human trial. The net proceeds will be divided into four equal categories: 25 percent to the inventor, 25 percent to the inventor's department, 25 percent is retained by the research foundation, and 25 percent goes into a research enrichment fund. He said they should receive declarative word on the outcome of the clinical phase in less than a year.

Vice President Skorton stated that the three operations for which Director Wheaton is responsible – the Technology Innovation Center, the research park and the research foundation – are not recipients of general funds from the State. Although the Technology Innovation Center and research park are residents at the Oakdale campus, the University of Iowa Research Foundation manages all the intellectual property of the campus.

Vice President Skorton introduced Claudia Smith, Director of Marketing, Computer Aided Design Software, Inc. (CADSI).

Ms. Smith stated that CADSI is leading the way in computer simulation. She said simulation is more than drawing on a computer. It includes motion analysis of mechanical systems. CADSI is housed in a single-tenant facility on the Oakdale campus which it moved into in February 1993. It first spent a number of years at Oakdale Hall. The

company was founded in 1983 by Professor Ed Haug of the College of Engineering. Its first product was marketed in 1986 and the company has been profitable since 1988. Company officials raised \$2.5 million initial capital. CADSI was the first company to transfer technology from the university to the market place. The company's product is marketed to Fortune 500 companies throughout the world. The company has 45 employees worldwide. It enjoys major vendor relationships. In May 1993 CADSI open its European subsidiary.

Ms. Smith described the industries for which CADSI's product can apply: automotive, mechanism design, materials handling systems, agricultural machinery, military vehicles, consumer products, aircraft/aerospace, robotics, accident reconstruction, construction machinery, off-road vehicles, medical and therapeutic devices. CADSI has offices in Dallas, Los Angeles, Boston, Detroit, Iowa City, Belgium and Germany. International distribution occurs in Sweden, India, Japan, Taiwan, Korea, Singapore. The company's major product is called DADS which is a new approach to structural analysis. She described industries and applications for DADS. She said the reception in the marketplace has been fabulous. They anticipate sales of \$14 million in Japan in the next 3 years.

Vice President Skorton emphasized that CADSI was an example of some of the intellectual "muscle" at the University of Iowa. The university has successfully competed as the site for the national driving simulator. He was proud that each research park company has been directly attached to the university's academic mission.

Vice President Skorton introduced Paul Juffer, chief financial officer, Neural Applications Corporation.

Mr. Juffer stated that neural network technology has been around since the 1970s. It is the evolution of artificial intelligence. A neural network learns and improves its own behavior; it can learn from its mistakes. This technology is the evolution of artificial intelligence and is a high growth market. He quoted from a September 1993 Fortune Magazine article that stated that 85 percent of engineers surveyed in the U.S., Europe, and Japan ranked neural computation as the hottest emerging computer technology. Focuses of the technology include character recognition, speech recognition, stock market forecasting, credit card fraud detection and process control. He stated that Neural Applications Corporation is the leader in applying neural network technology to process control and optimization applications.

Neural Applications Corporation took its first neural networks product, the Intelligent Arc Furnace Controller, from idea to market in less than 2 years. It is the "intelligent furnace". The product sells for approximately \$250,000 and has pay back periods as low as 2 months. Mr. Juffer stated that the technology is so new that they cannot price it any higher right now. Other products of the company include a neural controller to control the dextrose

equivalent in the production of liquor from corn and has been installed at a Cargill Corporation facility.

With regard to the company's business strategy, Mr. Juffer said they have partnerships with key companies in process control-intensive industries, such as Cargill and North Star, to expedite development and commercialization of neural networks products. He said the company has a scientific advisory board comprised of individuals who have expertise in the neural networks and related fields. Mr. Juffer discussed why the company chose to locate in Iowa. It needed to be close to a university. In choosing Iowa over Stanford the reasons were the company's existing operation in Davenport, the founders had Iowa backgrounds and because of the enthusiasm and support shown by Iowa.

Mr. Juffer stated that company officials were excited about the research park and the ability to share information with other companies. Neural Applications Corporation offers scholarships to University of Iowa students. He discussed the company's projected revenue growth and new products for new industries. The company currently has 40 employees and anticipates it will have 100 employees by the end of this calendar year or the first quarter of the next calendar year.

Vice President Skorton stated that Neural Applications Corporation's class which it provides to university students has enriched the University of Iowa's engineering program.

Vice President Skorton introduced Carolyn Brown of Breakthrough.

Dr. Brown stated that Breakthrough began in 1987 as a result of research conducted at the University of Iowa. She said the Technology Innovation Center allowed the company a real incubation term. The company now has 25 employees. Foundations in Reading was its first product. She stated that our nation's greatest challenge is to create the learning environments which allow all children to become literate. Breakthrough's mission is to give children the opportunity to develop the foundations of language and reading which will support lifelong literacy and learning.

Foundations in Reading is the culmination of 12 years of research, development and testing, working with children to determine what they needed to become, and to view themselves as, comfortable and competent readers. Development and evaluation have been supported by several grants from the National Institutes of Health, the U.S. Department of Education, and the Iowa Department of Economic Development.

Dr. Brown stated that Breakthrough targets the early learner -- the 4- to 6-year-old. The market is school districts throughout the country. The company has recently signed a distributor to market the product to a national audience. She acknowledged that the

company has a lot of competition. However, she believes the research and development effort of Breakthrough will make its product look different and accomplish the company's mission. She discussed the partnerships which have allowed the company to be very successful. Chuck Peters is the chief executive officer and president of the company. She said Jerry Zimmerman believed in the product so much that he left his law practice in Waterloo for a period of time to help market the product. Teachers and principals have endorsed the product.

Dr. Brown provided statistics on students' testing before the Foundations in Reading program and after, as well as the carry-over successes of students the following year. Within a four-month period students tested from the 35 percentile rank on the Iowa Tests of Basic Skills (ITBS) prior to Foundations in Reading, to the 70 percentile after the program. With regard to children who used the Foundations in Reading program in kindergarten and went on to the first grade, early in the first semester of first grade these children were again tested on the ITBS. Students tested in the 99th percentile in vocabulary and in the 95th percentile in reading comprehension. Never before had children come from kindergarten so well prepared.

Dr. Brown stated that there will be more than just social problems in the United States if we do not solve the literacy problem. She said that being from Iowa increases the credibility of Breakthrough's products because Iowa is known for its excellence in education.

President Berenstein asked who owns stock in these companies.

Dr. Brown stated that her husband and she own the majority of the stock in Breakthrough. Other stockholders include the Iowa Product Development Committee and about ten of the early investors.

Mr. Juffer stated that approximately 65 percent of the stock in Neural Applications is owned by venture capitalists. The rest is owned by other individuals.

Ms. Smith stated that stock in CADSI is owned mainly by its founders and two venture capitalist groups. A number of private holders were either invited early on or were employees. They do not anticipate the stock will go public at any time in the near future.

Regent Tyrrell referred to the Iowa Schools Development Corporation. He stated that the legislature designated \$1 million for schools to look at ways to ensure that every child achieves their maximum potential in learning. The funds were divided into categories for elementary, middle and high schools. He said the Foundations in Learning program appeared to be a "natural" for this funding. Thirty schools in the state now have projects.



June 14, 1994

He said Ms. Brown should contact the individuals who can help her find out more about the project.

Vice President Skorton stated that he would be a go-between. He then stated that he hoped it had been made clear that each of these companies was integrally woven into the fabric of the university; they are an extension of the academic mission of the university. He stated that the University of Iowa "Biocats" was another type of endeavor spearheaded by Professor Rosazza of the College of Pharmacy, whom he introduced.

Professor Rosazza explained biotechnology versus biocatalysis. He said biotechnology is the application of scientific and engineering principles to the processing of material by biological agents to provide goods and services. In chemistry, biocatalysis is the process of initiating or accelerating a reaction between two or more substances. The catalyst usually remains unchanged and is reusable. He discussed the Center for Biocatalysis and Bioprocessing. The center assists in building relationships with industries, draws attention to the state and brings in industry. This is the first and the strongest group of this sort in the country. He described milestones of the center since its establishment in 1983. The center includes 39 faculty and 250 laboratory personnel. The center has an industrial affiliates program.

Industrial applications of biocatalysts include pharmaceuticals, agricultural chemicals, fine chemicals, bulk chemicals and nutrition. Professor Rosazza provided examples of industries in Iowa doing biocatalysis. He noted that Iowa does more biocatalysis than any other state in the country.

The Regents were then provided with a tour of the Center for Biocatalysis and Bioprocessing, as well as the Research Park campus.

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

**SALE OF \$1,345,000 ACADEMIC BUILDING REVENUE REFUNDING BONDS, SERIES SUI 1994.** The Board Office recommended the Board, subject to the receipt of acceptable bids:

- (1) Adopt A Resolution providing for the sale and award of \$1,345,000 Academic Building Revenue Bonds, Series S.U.I. Series 1994, and approving and authorizing the agreement of such sale and award.
- (2) Adopt A Resolution authorizing and providing for the issuance and securing the payment of \$1,345,000 Academic Building Revenue Refunding Bonds, Series

S.U.I. 1994, for the purpose of refunding at maturity (August 1, 1994) the principal of the Academic Building Project Notes, Series S.U.I. 1991, which were issued in the same principal amount.

The purpose of this issue was to refund at maturity (August 1, 1994) the principal of the Academic Building Project Notes, Series S.U.I. 1991, which were issued in the same principal amount.

The receipt and opening of bids was scheduled for 11:30 a.m. on Tuesday, June 14, 1994. The award was scheduled for 2:00 p.m.

The legislation which authorized the Project Notes permits them to be refunded with Academic Building Revenue Bonds in the event funds are not appropriated for payment of the Project Notes at maturity.

The entire principal amount of the bond proceeds will be applied to repayment of the Project Note principal. Issuance costs will be reimbursed from the tuition replacement account.

The final six-month interest payment due on the Project Notes initially will be paid from university resources, then reimbursed through the tuition replacement process.

With settlement expected in late July, there will be little if any investment of the bond principal prior to its application to payment of the Project Note principal on August 1.

No escrow account need be established since it is a current refunding.

Bond Specifics:

Average Maturity:	13.78 Years
Bonds Dated:	July 1, 1994
Interest Due:	January 1 and July 1 commencing January 1, 1995
Optional Call:	Bonds maturing on or after July 1, 2005 are callable commencing July 1, 2004 and any date thereafter at par
Denomination:	\$5,000 and integral multiples thereof

The two resolutions to be adopted at this Board meeting were prepared by the Board's bond counsel, the Ahlers law firm.

Mr. Anderson stated that bids were received at 11:30 a.m. for this long-term refinancing. He said they had received an unprecedented eight bids for the University of Iowa bonds. In the 8 years that he has been working with the Board of Regents he had never experienced receiving that number of bids on a Regents bond issue. He said it was a reflection of the lower amount of supply in the marketplace and that the Regents had not issued additional debt for a while.

Mr. Anderson reviewed the bids received, as follows:

Dain Bosworth, Inc., bid a price of \$1,345,000.00, net interest cost of \$918,305.00, for a true interest rate of 4.9584 percent.

Syndicate led by Piper Jaffray, Inc., bid a price of \$1,345,040.35, net interest cost of \$924,884.65, for a true interest rate of 4.9835 percent.

A. G. Edwards & Sons, Inc., bid a price of \$1,345,000.00, net interest cost of \$960,960.00, for a true interest rate of 5.1902 percent.

Syndicate led by Chiles Heider, Division of Lehman Brothers, bid a price of \$1,345,000.00, net interest cost of \$980,885.00, for a true interest rate of 5.3081 percent.

Syndicate led by Painewebber, Inc., bid a price of \$1,345,000.00, net interest cost of \$987,215.00, for a true interest rate of 5.3321 percent.

Syndicate led by Kirkpatrick, Pettis, Smith, Polian, Inc., bid a price of \$1,345,000.70, net interest cost of \$988,641.80, for a true interest rate of 5.3333 percent.

Merrill Lynch & Co., bid a price of \$1,345,011.85, net interest cost of \$1,028,118.15, for a true interest rate of 5.5493 percent.

Syndicate led by Park Investment Corporation bid a price of \$1,345,000.00, net interest cost of \$1,084,090.00, for a true interest rate of 5.8411.

Mr. Anderson stated that the Dain Bosworth, Inc., bid was the best bid by a narrow margin, and recommended the Board's acceptance.

**MOTION:** Regent Hendricks moved to (1) Adopt A  
Resolution providing for the sale and award of

STATE UNIVERSITY OF IOWA  
June 14, 1994

\$1,345,000 Academic Building Revenue Bonds, Series S.U.I. Series 1994, and approving and authorizing the agreement of such sale and award; and (2) Adopt A Resolution authorizing and providing for the issuance and securing the payment of \$1,345,000 Academic Building Revenue Refunding Bonds, Series S.U.I. 1994, for the purpose of refunding at maturity (August 1, 1994) the principal of the Academic Building Project Notes, Series S.U.I. 1991, which were issued in the same principal amount. Regent Furgerson seconded the motion, and upon the roll being called, the following voted:  
AYE: Berenstein, Collins, Furgerson, Hendricks, Johnson-Matthews, Newlin, Pellett, Tyrrell.  
NAY: None.  
ABSENT: Dorr.

MOTION CARRIED UNANIMOUSLY.

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

## IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Tuesday, June 14, 1994.

President Jischke stated that this was the last Regents meeting that Director of University Relations Cherryl Jensen would be attending. She will be leaving the university on July 1. He personally had very much enjoyed the opportunity to work with her. Director Jensen served the Board and Iowa State University well.

President Berenstein, on behalf of the Board of Regents, wished Director Jensen the best in her future endeavors. He said the Regents had enjoyed working with her.

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

Register of Personnel Changes for May 1994 which included three requests for early retirement and five requests for phased retirement.

Appointments of Margaret Pickett as Secretary and Joan Thompson as Treasurer in accordance with Chapter 262.9 of the Code of Iowa for the fiscal year beginning July 1, 1994.

Provided for the Board's information was the appointment of Mark C. Engelbrecht as Dean of the College of Design, effective August 1, 1994, at an annual salary of \$105,000.

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

**DISCONTINUE UNDERGRADUATE CURRICULUM.** The Board Office recommended the Board refer the request to discontinue an undergraduate curriculum at Iowa State University to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials requested approval to discontinue the Fisheries and Wildlife Biology undergraduate curriculum in the College of Agriculture and to make it an option within the curriculum on Animal Ecology. The resulting program option will be streamlined for advisors and students alike, with the goal of producing graduates with the best skills possible for today's job market.

The one major will have a "core" program with five options. These options are Aquaculture, Ecology, Fisheries Biology, Interpretation and Wildlife Biology.

**ACTION:** This matter was referred by consent.

**CHANGE NAME OF CURRICULUM.** The Board Office recommended the Board refer the request to change the name of curriculum at Iowa State University to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials requested approval to change the name of the undergraduate curriculum in Industrial Education and Technology to the curriculum in Industrial Technology. The title will better describe the curriculum, which focuses on manufacturing, occupational safety, and training and development instead of teacher preparation.

The recommended curriculum name change also parallels a recommendation of the program's accreditation body, the National Association of Industrial Technology.

**ACTION:** This matter was referred by consent.

**APPROVAL OF UNDERGRADUATE MINOR.** The Board Office recommended the Board refer the proposal for an undergraduate minor at Iowa State University to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials requested approval for an undergraduate minor in Nondestructive Evaluation from the College of Engineering. The minor would be open to students in good academic standing in one of the professional program undergraduate curricula in the College of Engineering.

The student's minor program must include at least 9 credits which are beyond the total credits used to meet the undergraduate engineering curriculum. The proposed interdisciplinary minor was designed to build upon the established research

accomplishments of the Center for Nondestructive Evaluation and College of Engineering at Iowa State University.

University officials reported that the proposed minor will be the first of its kind in connection with engineering curricula and has potential to serve as a model for the incorporation of new areas of technology into existing engineering curricula.

**ACTION:** This matter was referred by consent.

**CHANGE NAME OF CURRICULUM.** The Board Office recommended the Board refer the request to change the name of curriculum at Iowa State University to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials requested approval to change the title of the undergraduate curriculum in Physical Education to a curriculum in Exercise and Sport Science, and the graduate major in Physical Education to a major in Exercise and Sport Science. Both programs are offered by the Department of Health and Human Performance (formerly Physical Education) within the College of Education.

The titles will more accurately reflect the programs' range of emphases, which include exercise physiology, sport management, motor control, biomechanics, sociology of sport, and psychology of sport.

The term "physical education" connotes a focus on the teaching of sports and/or the training of teachers of sport and physical activity, which represents only a minor part of the undergraduate program.

The department's graduate program does not include courses in pedagogy or have an emphasis in school-related education.

The recommended names reflect a nationwide trend in similar departments of major universities.

**ACTION:** This matter was referred by consent.

**CHANGE NAME OF GRADUATE MAJOR.** The Board Office recommended the Board refer the request to change the name of a graduate major at Iowa State University to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials requested approval to change the name of the graduate major in Home Economics Education to Family and Consumer Sciences Education for all department graduate degrees. The degrees include master of science, master of education, and doctor of philosophy.

The change was requested to bring the name of the major in line with the name of the college. The Board approved the change from the College of Home Economics to the College of Family and Consumer Sciences in April 1987. The change was previously made for the undergraduate major, and it is consistent with the current name by which the profession is identified.

**ACTION:** This matter was referred by consent.

**CHANGES IN GRADUATE DEGREES.** The Board Office recommended the Board refer the request for changes in graduate degrees at Iowa State University to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials requested approval to replace:

the M.S. with major in Ceramic Engineering and the M.S. with major in Metallurgy with an M.S. with major in Materials Science and Engineering

the Ph.D. with major in Ceramic Engineering and the Ph.D. with major in Metallurgy with a Ph.D. in Materials Science and Engineering.

The Engineering College Curriculum Committee found that:

A rational plan had been developed to make the transition from the present graduate degrees to the new degrees.

The proposal is consistent with the University Strategic Plan in that it is a simplification of the existing graduate degree program structure.

The course work to support the degrees can be provided almost completely from a realignment of existing courses.

Students in the existing programs and newly-admitted students will be allowed to choose whether to continue to graduation on the present degrees or to switch to the new degrees,



A survey of past graduates and their employers found support for the proposed degree name.

**ACTION:** This matter was referred by consent.

**APPROVAL OF GRADUATE MINORS.** The Board Office recommended the Board refer the request for approval of graduate minors at Iowa State University to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials requested approval to establish graduate minors in Spanish, French, German, Latin, and Russian to be offered by the Department of Foreign Languages and Literatures in the College of Liberal Arts and Sciences. Currently, the department does not offer any graduate majors or minors, although it has a large number of graduate faculty who serve on program-of-study committees for graduate students in other departments.

The minors would allow graduate students to further their knowledge of these languages and would provide formal recognition of their achievements in those languages.

**ACTION:** This matter was referred by consent.

**APPROVAL OF GRADUATE DEGREE.** The Board Office recommended the Board refer the request for approval of a graduate degree at Iowa State University to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials requested approval to offer a Master of Family and Consumer Sciences in the College of Family and Consumer Sciences. The university's rationale for offering the degree includes the following elements:

- o There is a constituency of people who would benefit from the ability to advance their professional careers in this area.
- o In many Family and Consumer Sciences areas, the Master's degree is the entry-level degree.
- o With the elimination of home economics graduate programs at the University of Northern Iowa and the University of Iowa, the Iowa State University college is

the only unit in Iowa that can offer graduate degrees in Family and Consumer Sciences.

University officials proposed to extend the degree to off-campus sites to meet the needs of geographically bound students.

University officials indicated that the degree would not require a thesis or a creative component but would require additional course work and an integrative written and oral final examination.

**ACTION:** This matter was referred by consent.

**APPROVAL OF UNDERGRADUATE DEGREE.** The Board Office recommended the Board refer the request for approval of an undergraduate degree at Iowa State University to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials requested approval to establish an undergraduate Bachelor of Arts/Sciences major in Women's Studies in the College of Liberal Arts and Sciences. The university defines Women's Studies as the critical and scholarly pursuit of knowledge about women from a multicultural and interdisciplinary feminist perspective.

The proposed program would utilize existing courses, staff, and other resources.

As an interdisciplinary field, Women's Studies would support the mission of Iowa State University. A major in Women's Studies is consistent with the goals established by the college's strategic plan.

According to the university, one of the elements of promise in Women's Studies is its intent and ability to provide fresh perspectives and understandings of the lives and accomplishments of women internationally and cross-culturally.

The program would be administered directly by the Dean of the College of Liberal Arts and Sciences in conjunction with a faculty committee.

**ACTION:** This matter was referred by consent.

**ADMINISTRATIVE REORGANIZATION.** The Board Office recommended the Board approve the administrative reorganization at Iowa State University.

Iowa State University officials proposed an administrative reorganization. The reorganization will result in the reassignment of the administrative reporting relationship for the Iowa State Center and the University Museums from the Vice President for Business and Finance to the Vice President for External Affairs effective July 1, 1994.

University officials indicated that the reorganization will better balance the workloads among the vice presidents and a certain synergy would occur if the Iowa State Center and the University Museums were to have greater interaction with the units currently under the Vice President for External Affairs.

The reorganization is intended to increase efficiencies and will not necessarily in and of itself result in any financial savings.

**MOTION:** Regent Tyrrell moved to approve the administrative reorganization at Iowa State University. Regent Newlin seconded the motion.  
**MOTION CARRIED UNANIMOUSLY.**

**REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.** The Board Office recommended (1) that the Register of Capital Improvement Business Transactions for Iowa State University be approved, except for approval of a project description and budget for the Athletic Office and Training Facility; and (2) that the university proceed with preliminary planning, including hiring an architect, for the Athletic Office and Training Facility with the understanding that a detailed project description and budget will be brought to the Board for approval when preliminary planning is complete.

#### **PERMISSION TO PROCEED WITH PROJECT PLANNING**

##### Intensive Livestock Research and Instruction Facilities

University officials requested permission to proceed with project planning for the construction of Intensive Livestock Research and Instruction Facilities. This project includes construction of an addition to Kildee Hall, completion of the addition to the Meat Laboratory, and construction of the Livestock Infectious Disease Isolation Facility. These facilities will allow the university to better serve the livestock industry in the state of Iowa.

This project was included in the university's capital program for the last several years and was fifth on the Regents capital request for FY 1995. The 75th General Assembly

authorized sale of bonds in the amount of \$2,118,676 for planning. University officials requested approval to begin formal planning and architect selection.

Improvements or new construction in Iowa State University's livestock facilities will help the university to better serve the Iowa livestock industry through more efficient research, teaching and technology transfer efforts. Better facilities will allow for increased collaboration between Iowa State University departments and colleges and the U.S. Department of Agriculture laboratories in the Ames area. These improvements will also help the university meet animal care guidelines.

The funds available from the bond authorization will allow the university to begin planning for three major facilities: an addition to Kildee Hall, which houses offices, classrooms and laboratories for the animal science department; completion of the Meat Laboratory addition; and construction of the Livestock Infectious Disease Isolation Facility at the Veterinary Medical Research Institute. The total project cost for these facilities is estimated at \$27 million.

The proposed addition to the Animal Science Department building will provide space for research and teaching laboratories, offices, classrooms and animal holding and display areas. The addition's teaching and outreach facilities include a self-learning laboratory and space for students to work with live animals. Laboratory teaching centers will allow students to learn by experiencing techniques used in feed identification, nutrient analysis and molecular biology applications in animal agriculture.

With the additional space, students will be able to participate in research projects and to learn about the care and management of laboratory and domestic animals. Technology transfer efforts between the university and the livestock industry will be improved.

The proposed addition to the Meat Laboratory will provide new office and laboratory space for the university's Linear Accelerator Facility. The new space will be located on top of and next to the Linear Accelerator Facility, the previous addition to the Meat Laboratory.

The new addition will support food safety research conducted at the Linear Accelerator Facility, which focuses on eliminating food-borne bacteria that can cause food poisoning, extending the shelf life of food products, developing sterilized meals for the military and NASA, and understanding consumer acceptance of irradiated food.

New space will be used for teaching, research, and extension in Meat Science and for microbiology and chemistry laboratories and for a technology transfer facility.

The Livestock Infectious Disease Isolation Facility will be used for research to help safeguard the health of Iowa livestock and improve food production efficiency. Research at the facility will focus on controlling infectious diseases, increasing animal immunities and ensuring food safety. Livestock vaccine and drug testing also will take place at the facility.

The new facility will include several rooms that isolate livestock from outside germs, a germ-free surgery suite, high-security rooms for work with infectious agents, other laboratories and offices.

The isolation facility will have special waste containment areas. The areas are required to prevent drug residues and toxins from contact with the environment, humans and other animals.

## APPROVAL OF PROGRAM STATEMENTS AND DESIGN DOCUMENTS

### Engineering Teaching and Research Complex

The Engineering Teaching and Research Complex will facilitate the highest quality research, teaching and outreach through a design that:

- o encourages team interaction across disciplines;
- o provides flexibility, functional efficiency, and cost saving;
- o maximizes opportunities for sharing of space and facilities;
- o utilizes the best available technology for research, instruction, and distance learning;
- o values teaching, research, and outreach as one.

The architecture and engineering will carefully balance budget, program and quality and fully satisfy users' needs within defined limits. The complex will have a timeless character, and a distinct identity that harmonizes and integrates with its campus context.

The Engineering Teaching and Research Complex will consist of approximately 317,000 gross square feet of space and will meet the needs of the College of Engineering and two IPRT centers--the Center for Nondestructive Evaluation and the Federal Aviation Administration Center for Aviation Systems Reliability. Because of the size of the complex, the project is expected to be constructed in phases.

The complex will house the following:

- o Aerospace Engineering and Engineering Mechanics Department;
- o Computational Fluid Dynamics Center and other engineering program needs;
- o Innovative classrooms for general university use that employ leading edge technology;
- o Innovative teaching laboratories for engineering instruction that employ leading edge technology;
- o Laboratories for the Iowa Center for Emerging Manufacturing Technology and interdisciplinary research;
- o Center for Nondestructive Evaluation;
- o FAA Center for Aviation Systems Reliability.

Space Summary

Net Assignable Square Feet

	<u>PHASE 1</u>	<u>PHASE 2</u>
Aerospace Engineering and Engineering Mechanics	27,943	33,615
Center for Nondestructive Evaluation/Center for Aviation Systems Reliability	46,459	27,300
Iowa Center for Emerging Manufacturing Technology	0	8,642
College of Engineering	10,595	14,501
Miscellaneous Areas (ISU General Classrooms and Support Space)	<u>11,655</u>	<u>9,660</u>
 TOTALS FOR EACH PHASE	 96,652	 93,718
 TOTAL NET ASSIGNABLE SQUARE FEET		 <u>190,370</u>

Gross Square Feet

	<u>PHASE 1</u>	<u>PHASE 2</u>
Gross Square Feet (GSF) Phase Totals (N/G = 60%)	161,087	156,197
<b>TOTAL GROSS SQUARE FEET</b>		<b><u>317,284</u></b>

PROJECT DESCRIPTIONS AND BUDGETS

University officials submitted three new projects for approval by the Board.

Northwest Campus--Construct Parking Lot \$445,000

Preliminary Budget

Contracts	\$ 331,000
Design Services	54,000
Construction Administration	18,860
University Services	3,000
Miscellaneous	2,500
Utility Extensions	8,000
Project Reserve	<u>27,640</u>

TOTAL \$ 445,000

Source of Funds:

FY 1995 Parking Systems	\$ 280,000
FY 1996 Parking Systems	<u>165,000</u>

TOTAL \$ 445,000

University officials requested approval of a project description and budget for construction of a 150-stall parking lot to address the need for additional staff and commuter student parking spaces. The lot will be located west of the Town Engineering Building and will serve the north and west areas of campus.

The work will include subsurface and surface drainage, paving and lighting. The university plans to phase the work over the next two fiscal years.

Engineering Teaching and Research Complex

\$58,000,000

Preliminary Budget

Contracts	\$ 41,444,000
Site Development/Land Acquisition	500,000
Demolition	200,000
Design Services	3,962,000
Construction Administration	1,299,990
University Services	200,000
Miscellaneous	80,000
Landscaping	200,000
Utility Extensions	1,200,000
Movable Equipment	1,870,000
Art Work	290,000
Building Automation	620,000
Telecommunications	825,000
Project Reserve	<u>5,309,010</u>

TOTAL \$ 58,000,000

Source of Funds:

Federal Aviation Administration Grant	\$ 1,500,000
Future Federal Aviation Administration Grant	13,500,000
ISU Foundation Funds	300,000
Future ISU Foundation Funds	13,700,000
Future State Funding	<u>29,000,000</u>

TOTAL \$ 58,000,000

University officials requested approval of the project description and budget in the amount of \$58 million for the Engineering Teaching and Research Complex. The project budget indicated present and future funding sources. The university will not proceed with planning or construction without funding.



Athletic Office and Training Facility

\$7,200,000

Preliminary Budget

Contract	\$ 4,700,000
Design Services	713,000
Construction Administration	121,700
University Services	5,500
Miscellaneous	10,000
Landscaping	55,000
Utility Extensions	450,000
Movable Equipment	420,000
Art Work	40,000
Building Automation	82,500
Telecommunications	55,000
Project Reserve	<u>547,300</u>
TOTAL	<u>\$ 7,200,000</u>

Source of Funds:

ISU Foundation	\$ 5,700,000
Income from Treasurer's Temporary Investments	<u>1,500,000</u>

TOTAL \$ 7,200,000

University officials requested approval of a project description and budget in the amount of \$7,200,000. To date, the fundraising has successfully raised \$5.7 million in private gifts. These funds, along with \$1.5 million from university Treasurer's Temporary Investment earnings, would finance a \$7.2 million project. The TTI support would be used only to remodel the Olsen Building as the second phase of the project. According to the university, the scope of the project, renovation of the Olsen Building and the final furnishings will be enhanced as additional funds are raised and if it is determined in-kind construction or material contributions are possible.

The stadium and the Iowa State Center Complex were originally constructed under an agreement with the Iowa State University Foundation, the university, and the State Board of Regents. University officials would like to consider constructing the Athletic Office and Training Facility using similar procedures involving Foundation ownership of the project until completion of the construction. At that time, title of the facilities would be transferred to the university. Board approval would be obtained for the schematic design; project administration would be carried out by university staff. If the Foundation

is to own the new facility until construction is complete, there will need to be two separate contracts - one for the new facility with contracts entered into by the ISU Foundation and another for the remodel of the Olsen Building with contracts in the name of the university and Board of Regents.

If this alternative does not prove to be feasible or there is not interest on the part of contractors or suppliers, the university would proceed within the funds available following established Regents capital planning procedures.

University officials wish to proceed with planning of the project as quickly as possible with the goal of beginning some construction activities as early as Fall 1994. It was anticipated that the programmatic needs of the project will be examined and adjusted during the pre-design/schematic design process in order to use the available funds to their greatest advantage. This adjustment process may involve shifting lower priority needs to future phases.

Since programmatic needs remain to be examined and because the university, last November, indicated its wish to complete schematic design services to develop the initial project budget, the Board Office believed it was premature to approve a project description and budget at this time. The Board Office recommended proceeding with project planning, including the hiring of an architect, with the understanding that a detailed project description and budget will be brought forward for Board approval when the preliminary planning is completed.

Since university officials requested Board approval of an agreement with Herbert Lewis Kruse Blunck to provide pre-design and schematic design services for this project, the above recommended procedure would not delay the project's progress.

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University officials presented a revised and amended budget on the following projects.

Lake LaVerne Restoration

Original Budget \$353,500  
Revised Budget \$386,500



	<u>Project Budget</u>	
	<u>Nov. 1993 Budget</u>	<u>Amended Budget June 1994</u>
Contracts	\$ 3,516,500	\$ 3,364,305
Demolition	80,000	15,000
Design Services	410,390	406,940
Construction Administration	127,950	135,950
University Services	40,000	80,000
Miscellaneous	10,000	10,000
Landscaping	20,000	30,000
Utility Extensions	80,000	80,000
Movable Equipment	385,000	495,000
Art Work	25,000	25,000
Building Automation	50,000	50,000
Telecommunications	20,000	10,000
Project Reserve	<u>310,160</u>	<u>372,805</u>
TOTAL	<u>\$ 5,075,000</u>	<u>\$ 5,075,000</u>
Source of Funds:		
FY 1993 General University Funds	\$ 1,000,000	\$ 1,030,325
FY 1994 General University Funds		50,000
FY 1993 Building Repair Funds	450,000	450,000
FY 1994 Building Repair Funds	450,000	450,000
FY 1995 Building Repair Funds	450,000	450,000
Income from Treasurer's Temporary Investments	500,000	419,675
ISU Foundation	1,325,000	1,325,000
Academic Building Revenue Bonds	<u>900,000</u>	<u>900,000</u>
TOTAL	<u>\$ 5,075,000</u>	<u>\$ 5,075,000</u>

University officials requested approval of an amended project budget which reflected the inclusion of \$50,000 in FY 1994 general university funds, which were being committed in accordance with provisions of Section 8.33 of the Code of Iowa. The source of funds also included a reduction in Treasurer's Temporary Investments funding by \$80,325, and an increase in FY 1993 general university funds in the amount of \$30,325.

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University officials reported 14 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 Teaching and Research Complex \$1,600,000  
Brooks Borg and Skiles, Des Moines, Iowa

University officials requested approval to enter into an agreement with Brooks Borg and Skiles to provide design services for the project. Because of the anticipated timing of funding for the project, the agreement included schematic design services for the entire facility, with design development and construction documents services for Phase 1 construction only.

The agreement provides for a fee of \$1,600,000, including reimbursables.

Utilities--13.8 KV Neutral Grounding System \$30,000  
Burns and McDonnell, Kansas City, Missouri

This project includes electrical design for a neutral grounding transformer to be installed at the Haber Road substation and modifications to existing 13,800 volt switchgear. University officials requested approval to enter into an agreement with Burns and McDonnell to provide design services for the project.

The agreement provides for a fee of \$30,000, including reimbursables.

General Campus Water and Wind Damage 1993 \$2,500  
Rietz Engineering Consultants, Ames, Iowa

University officials requested approval to enter into an agreement with the Rietz firm to provide structural design services for the replacement of the underground vault located north of the Recreation/Athletic Facility as identified in the FEMA damage survey report. The agreement provides for a fee of \$2,500, including reimbursables.

Laboratory of Mechanics Remodeling \$89,000  
Wehner Pattschull Pfiffner, Iowa City, Iowa

University officials requested approval to enter into an agreement with Wehner Pattschull Pfiffner to provide design services for the project. The Wehner firm was recommended by the university because of its experience with the renovation of historic structures and its performance on the Gilman Hall Remodeling project. The firm is available to begin the design process immediately.

The agreement provides for a fee of \$89,000, including reimbursables.

Athletic Office and Training Facility \$127,000  
Herbert Lewis Kruse Blunck, Des Moines, Iowa

University officials requested approval to enter into an agreement with Herbert Lewis Kruse Blunck to provide design services for the project. The university received expressions of interest from seven architectural firms. The university Architectural Selection Committee selected three of the seven firms for interviews and further evaluation. After careful consideration, university officials requested approval of the selection of Herbert Lewis Kruse Blunck to provide pre-design and schematic design architectural services for the project. The firm and its associated consultants demonstrated creative design ability and extensive experience on similar projects.

The agreement provides for a fee of \$127,000, including reimbursables.

Lake LaVerne Restoration (Feasibility Study) \$11,000  
Butts-Gjersvik Engineering Company, Des Moines, Iowa

University officials reported an agreement with Butts-Gjersvik Engineering Company for the preparation of a feasibility study for the restoration of Lake LaVerne. The study includes the development of alternatives and estimated costs for deepening the lake, improving water quality, and providing for shoreline stabilization.

After completion of the study, university officials will return to the Board with an agreement for the services required to carry out the balance of the project. The agreement provides for a fee of \$11,000, including reimbursables.

Amendments:

Carrie Chapman Catt Hall Remodeling \$1,910  
Baldwin White Architects, Des Moines, Iowa

CONSTRUCTION CONTRACTS

Utilities--Increased Chilled Water Capacity--Phase 1--  
Cooling Tower No. 8--Concrete Basin \$78,500  
Award to: Woodruff Construction Company, Fort Dodge, Iowa  
(3 bids received)

Veterinary Medicine--Energy Conservation Remodeling--Phase 1 \$279,190  
Award to: Biermann Electric Company, Inc., Des Moines, Iowa  
(5 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Utilities--Increased Chilled Water Capacity--Phase 1--Mechanical Package No. 9  
Manning-Seivert Mechanical Contractors, Inc., Granger, Iowa

FINAL REPORTS

Utilities--Heating Plant--Turbine Generator #3 Overhaul \$804,361.81

Willow and Wilson Halls--Facade Improvements \$283,296.60

MOTION: Regent Furgerson moved (1) that the Register of Capital Improvement Business Transactions for Iowa State University be approved, except for approval of a project description and budget for the Athletic Office and Training Facility; and (2) that the university proceed with preliminary planning, including hiring an architect, for the Athletic Office and Training Facility with the understanding that a detailed project description and budget will be brought to the Board for approval when preliminary planning is complete. Regent Newlin seconded the motion. MOTION CARRIED UNANIMOUSLY.

**APPROVAL OF LEASES AND AGREEMENTS.** The Board Office recommended the Board approve the following leases and agreements:

With the CITY OF AMES for an extension of the agreement for waste disposal services at a cost equal to the city's operating costs and the university's use of the waste disposal system, for an additional 20-year period through 2014;

With the LIVERY PARTNERSHIP for the university's use of 700 square feet of space located 806 Seventh Street, Suite S4, Boone, Iowa, at the rate of \$350 per month for the period commencing September 15, 1994, through June 30, 1996; and

With DETERMAN INVESTMENTS for the university's use of 800 square feet of space located in Mohawk Square, Suite 206, 22 North Georgia, Mason City, Iowa, at the rate of \$400 per month for the period commencing July 1, 1994, through June 30, 1995.

**MOTION:**

Regent Furgerson moved to approve the leases and agreements, as presented. Regent Johnson-Matthews seconded the motion, and upon the roll being called, the following voted:

AYE: Berenstein, Collins, Furgerson, Hendricks, Johnson-Matthews, Newlin, Pellett, Tyrrell.

NAY: None.

ABSENT: Dorr.

**MOTION CARRIED UNANIMOUSLY.**

**TELECOMMUNICATIONS SURPLUS FUND TRANSFER.** The Board Office recommended the Board approve the transfer of \$3,000,000 from the Telecommunications Surplus Fund to the Improvement and Extension Fund.

Iowa State University officials requested the transfer of \$3,000,000 from the Surplus Fund to the Improvement and Extension Fund to address the university's expanding voice, data, and video telecommunications needs, which include System 85 upgrades, data network upgrades and cable plant additions. The funds will be used to upgrade approximately 80 percent of the University's Private Branch Exchange (PBX) from System 85 to Definity Generic 3 and to expand the telecommunications service to additional campus users.

The new Definity Generic 3 will be interconnected with the remaining System 85 to provide system-wide interoperability and number portability.



**MOTION:** Regent Hendricks moved to approve the transfer of \$3,000,000 from the Telecommunications Surplus Fund to the Improvement and Extension Fund. Regent Newlin seconded the motion.  
**MOTION CARRIED UNANIMOUSLY.**

**APPROVAL OF MASTER LEASE.** The Board Office recommended that the Board permit Iowa State University to draw up to \$550,000 under the Norwest Master Lease Agreement to finance the purchase and installation of a new main scoreboard, fascia scoreboards, and a new sound system for Cyclone Stadium - Jack Trice Field.

Iowa State University officials requested use of the master lease to finance the purchase and installation of a new main scoreboard, fascia scoreboards, and a new sound system for Cyclone Stadium - Jack Trice Field.

The Board has a master lease financing agreement with Norwest Investment Services, which runs through November 25, 1996. This agreement permits a total of \$15 million to be borrowed, of which approximately \$7.1 million remains available.

The cost of the equipment, including installation, is \$750,194.

The Iowa State University Athletic Department has sponsor commitments of \$1,108,000, which is sufficient to make the \$200,000 down payment and the total lease payments. While the three principal sponsors will provide the basic revenue for meeting the annual payments, additional income is anticipated from fascia boards, message center advertising, and the advertising on back of the south scoreboard.

The current scoreboard is badly outdated and unreliable.

The new equipment will allow the Athletic Department to sell more scholarships and increase revenue through additional signage in the stadium.

Pursuant to the provisions of the master lease, the final interest rate will be set at the time the borrowing commitment is executed; the current quote for a ten-year lease was 6.38 percent.

Annual payments of \$74,466.84 are required and would be the responsibility of the Athletic Department from the sponsors and advertising revenue.

The new system will be manufactured by Fairtron Corporation of Des Moines, and will include a new south end zone scoreboard, back of the south end zone signage and



UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Tuesday, June 14, 1994.

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

Register of Personnel Changes for May 1994.

Appointment of John Conner as Treasurer and Gary Shontz as Secretary in accordance with Chapter 262.9 of the Code of Iowa for the fiscal year beginning July 1, 1994.

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

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

PROJECT DESCRIPTIONS AND BUDGETS

University officials reported one new project with a budget of less than \$250,000. The title, source of funds and estimated budget for the project was listed in the register prepared by the university.

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CONSTRUCTION CONTRACTS

<u>Electrical and Communication Distribution Systems/Cable</u>	<u>\$54,986</u>
Award to: Terry-Durin Company, Cedar Rapids, Iowa (2 bids received)	

UNIVERSITY OF NORTHERN IOWA  
June 14, 1994

<u>Nebraska and 27th Street Loop</u>	\$40,180
<u>Russell Hall/West Gym/Schindler Education Center</u>	\$14,806
<u>West Gym Exterior Waterproofing--Phase II</u>	<u>\$275,562</u>
Award to: Prairie Construction Company, Waterloo, Iowa (2 bids received)	

FINAL REPORTS

<u>Bartlett Hall--HVAC System and Windows</u>	<u>\$1,845,696.34</u>
<u>Electrical Distribution System--23rd and Indiana Street Loop</u>	<u>\$549,133.25</u>

MOTION: Regent Furgerson moved to approve the university's capital register, as presented. Regent Johnson-Matthews seconded the motion.  
MOTION CARRIED UNANIMOUSLY.

**MOTOR VEHICLE AND BICYCLE REGULATIONS.** The Board Office recommended the Board approve fee-related changes in traffic and parking regulations for 1994-95 at the University of Northern Iowa.

University of Northern Iowa officials requested Board approval of changes in its traffic and parking regulations for 1994-95, as required by section 10.07 (C) of the Board of Regents Procedural Guide.

8.1 Registration--proposed changes in permit and fees were:

UNIVERSITY OF NORTHERN IOWA  
June 14, 1994

Per Year

Type of Registration	Fees FY 1994	FY 1995 Fees Proposed	% Increase
G Permit	100.00	\$103.00	3.00%
A Permit	64.00	65.90	2.97%
Ag Permit (Graduate Assistant)	47.00	48.40	2.98%
B Permit	39.40	40.60	3.05%
C Permit	24.60	25.35	3.05%
M Permit (Additional Vehicle)	24.60 12.30	25.35 12.70	3.05% 3.25%
R Permit	10.00	10.00	0.00%
L Permit	16.00	16.00	0.00%
Temporary Permit	2.75 per week	3.00 per week	9.09%
Motorcycle Permit	13.30	13.70	3.01%
Pool/2nd vehicle	2.75	3.00	9.09%

2nd Semester

Type of Registration	Fees FY 1994	FY 1995 Fees Proposed	% Increase
G Permit	\$50.00	\$51.50	3.00%
A Permit	32.00	32.95	2.97%
Ag Permit (Graduate Assistant)	23.50	24.20	2.98%
B Permit	19.70	20.30	3.05%
C Permit	12.30	12.70	3.25%
M Permit (Additional Vehicle)	12.30 6.15	12.70 6.35	3.25% 3.25%
R Permit	5.00	5.00	0.00%
L Permit	8.00	8.00	0.00%
Motorcycle Permit	6.65	6.85	3.01%

Summer Only

Type of Registration	Fees FY 1994	FY 1995 Fees Proposed	% Increase
G Permit	\$25.00	\$25.75	3.00%
A Permit	16.00	16.50	3.13%
Ag Permit (Graduate Assistant)	11.75	12.10	2.98%
B Permit	9.85	10.15	3.05%
C Permit	6.15	6.35	3.25%
M Permit (Additional Vehicle)	6.15 3.10	6.35 3.20	3.25% 3.23%
R Permit	2.50	2.50	0.00%
L Permit	4.00	4.00	0.00%
Motorcycle Permit	3.30	3.45	4.55%

There were no increases in the parking violation offense schedule.

Unpaid Parking Fines:

- a. Staff member - may be deducted from salary
- b. Student - may prevent the student from registering
- c. May result in a suspension of parking privileges on university property.

In the event of nonpayment of an assess penalty or the failure to initiate an appeal action within ten (10) days following the issuance of a violation citation or the denial of an appeal, an additional penalty of two dollars (\$2.00) will be assessed.

University of Northern Iowa will use the proposed increase in revenue of approximately \$10,000 to cover the increased cost of repair and maintenance on the university's parking lot system.

MOTION:

Regent Tyrrell moved to approve fee-related changes in traffic and parking regulations for 1994-95 at the University of Northern Iowa. Regent Pellett seconded the motion, and upon the roll being called, the following voted:  
 AYE: Berenstein, Collins, Furgerson, Hendricks, Johnson-Matthews, Newlin, Pellett, Tyrrell.

NAY: None.  
ABSENT: Dorr.

MOTION CARRIED UNANIMOUSLY.

**LEASE OF PROPERTY.** The Board Office recommended the Board approve the following lease:

With JOHN MCCARTER for the university's use of 5,400 square feet of warehouse storage space located at 308 Roosevelt Street, Cedar Falls, Iowa, at the rate of \$607.50 per month for the period commencing July 1, 1994, through June 30, 1995

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

MOTION CARRIED UNANIMOUSLY.

**SALE OF \$2,180,000 ACADEMIC BUILDING REVENUE REFUNDING BONDS, SERIES UNI 1994.** The Board Office recommended the Board, subject to the receipt of acceptable bids:

- (1) Adopt a Resolution providing for the sale and award of \$2,180,000 Academic Building Revenue Bonds, Series U.N.I. Series 1994, and approving and authorizing the agreement of such sale and award.
- (2) Adopt a Resolution authorizing and providing for the issuance and securing the payment of \$2,180,000 Academic Building Revenue Refunding Bonds, Series U.N.I. 1994, for the purpose of refunding at maturity (August 1, 1994) the principal of the Academic Building Project Notes, Series U.N.I. 1991, which were issued in the same principal amount.

The purpose of this issue was to refund at maturity (August 1, 1994) the principal of the Academic Building Project Notes, Series U.N.I. 1991, which were issued in the same principal amount.

UNIVERSITY OF NORTHERN IOWA  
June 14, 1994

The receipt and opening of the bids was scheduled for 11:30 a.m. on Tuesday, June 14, 1994. The award was scheduled for 2:00 p.m.

The legislation which authorized the project notes permitted them to be refunded with Academic Building Revenue Bonds in the event funds are not appropriated for payment of the project notes at maturity. The entire principal amount of the bond proceeds will be applied to repayment of the project note principal. Issuance costs will be reimbursed from the tuition replacement account.

The final six-month interest payment due on the project notes initially will be paid from university resources, then reimbursed through the tuition replacement process.

With settlement expected in late-July, there will be little if any investment of the bond principal prior to its application to payment of the Project Note principal on August 1. No escrow account need be established since it is a current refunding.

Bond Specifics:

Average Maturity:	13.89 Years
Bonds Dated:	July 1, 1994
Interest Due:	January 1 and July 1 commencing January 1, 1995
Optional Call:	Bonds maturing on or after July 1, 2005 are callable commencing July 1, 2004 and any date thereafter at par
Denomination:	\$5,000 and integral multiples thereof

The two resolutions to be adopted were prepared by the Board's bond counsel, the Ahlers law firm.

Mr. Anderson stated that the bids were received at 11:30 a.m. for this long-term refinancing. He said they had received an unprecedented 7 bids for University of Northern Iowa bonds. In the 8 years that he has been working with Board of Regents he had never experienced receiving that number of bids on a Regent bond issue. He said it was a reflection of the lower amount of supply in the marketplace and that the Regents had not issued additional debt for a while.

Mr. Anderson reviewed the bids received, as follows:



UNIVERSITY OF NORTHERN IOWA

June 14, 1994

Dain Bosworth, Inc., bid a price of \$2,180,000.00, net interest cost of \$1,499,630.00, for a true interest rate of 4.9575 percent.

Syndicate led by Piper Jaffray, Inc., bid a price of \$2,180,000.00, net interest cost of \$1,507,745.00, for a true interest rate of 4.9720 percent.

A. G. Edwards & Sons, Inc., bid a price of \$2,180,000.00, net interest cost of \$1,563,445.00, for a true interest rate of 5.1705 percent.

Syndicate led by Painewebber, Inc., bid a price of \$2,180,000.00, net interest cost of \$1,606,155.00, for a true interest rate of 5.3070 percent.

Syndicate led by Chiles Heider, Division of Lehman Brothers, bid a price of \$2,180,020.30, net interest cost of \$1,603,394.70, for a true interest rate of 5.3089 percent.

Syndicate led by Kirkpatrick, Pettis, Smith, Polian, Inc., bid a price of \$2,180,005.70, net interest cost of \$1,608,951.80, for a true interest rate of 5.3137 percent.

Merrill Lynch & Co., bid a price of \$2,180,002.70, net interest cost of \$1,678,747.30, for a true interest rate of 5.5478 percent.

Mr. Anderson stated that the Dain Bosworth, Inc., bid was the best bid, and recommended the Board's acceptance.

MOTION:

Regent Hendricks moved to (1) Adopt a Resolution providing for the sale and award of \$2,180,000 Academic Building Revenue Bonds, Series U.N.I. Series 1994, and approving and authorizing the agreement of such sale and award; and (2) Adopt a Resolution authorizing and providing for the issuance and securing the payment of \$2,180,000 Academic Building Revenue Refunding Bonds, Series U.N.I. 1994, for the purpose of refunding at maturity (August 1, 1994) the principal of the Academic Building Project Notes, Series U.N.I. 1991, which were issued in the same principal amount. Regent Tyrrell seconded the motion, and upon the roll being called, the following voted:

UNIVERSITY OF NORTHERN IOWA  
June 14, 1994

AYE: Berenstein, Collins, Furgerson, Hendricks,  
Johnson-Matthews, Newlin, Pellett, Tyrrell.  
NAY: None.  
ABSENT: Dorr.

MOTION CARRIED UNANIMOUSLY.

**PROPOSED PROPERTY PURCHASE.** The Board Office recommended the Board authorize the University of Northern Iowa to purchase property located at 1209 West 22nd Street, Cedar Falls, Iowa, subject to approval of the Executive Council of Iowa.

University of Northern Iowa officials requested to purchase property located at 1209 West 22nd Street in Cedar Falls from the Ryan family. The property consists of a lot 66 feet by 144 feet located north of the Commons parking lot.

Located on the property is a small one-story home which is used as a college rental house. The lease expires May 31, 1995, and will not be renewed. After expiration of the lease, the university plans to raze the house to develop a parking lot on the property.

The sellers have completed a Groundwater Hazard Statement which indicated that there were no known environmental hazards on the property.

Two appraisals were reviewed and the purchase price for the property was established at \$52,000, which is in compliance with Board policy. Funds for the purchase are available from Treasurer's Temporary Investments.

Approval of the Executive Council is required for the purchase.

MOTION:

Regent Newlin moved to authorize the University of Northern Iowa to purchase property located at 1209 West 22nd Street, Cedar Falls, Iowa, subject to approval of the Executive Council of Iowa. Regent Johnson-Matthews seconded the motion, and upon the roll being called, the following voted:  
AYE: Berenstein, Collins, Furgerson, Hendricks,  
Johnson-Matthews, Newlin, Pellett, Tyrrell.  
NAY: None.  
ABSENT: Dorr.

MOTION CARRIED UNANIMOUSLY.

**PROPOSED PROPERTY PURCHASE AND EXCHANGE.** The Board Office recommended that the Board authorize the following action on behalf of the University of Northern Iowa, subject to approval of the Executive Council of Iowa:

- (1) The purchase of property located 110 Clay Street, Cedar Falls, at the purchase price of \$55,000;
- (2) The exchange of the Clay Street property plus \$10,000 for the acquisition of property located at 1222 West 22nd Street Falls.

University of Northern Iowa officials requested to purchase property located at 110 Clay Street in Cedar Falls. The property is located approximately two miles northeast of campus and consisted of 66 feet by 132 feet lot with a small one and one-half story home.

The purchase price for the property, based on two appraisals, was established at \$55,000, which was within Board policy. Funds for the purchase were available from Treasurer's Temporary Investments.

University officials proposed to exchange the Clay Street property for property located at 1222 West 22nd Street, Cedar Falls. The property is located north of Bartlett Hall and consisted of 66 feet by 133 feet lot with a large two-story home.

The purchase price for the property, based on two appraisals, was established at \$65,000, which was within Board policy. The property will be acquired by the university with the exchange of the Clay Street property (valued at \$55,000), plus \$10,000 from Treasurer's Temporary Investments.

The purchase and exchange documents were reviewed by the Attorney General's Office and were recommended for approval.

Approval of the Executive Council is required for the purchase and exchange of the properties.

Vice President Conner stated that the University of Northern Iowa had the opportunity to purchase a property for which he had been negotiating for 6 years. He described the negotiation process and the exchange agreement.

President Berenstein stated that the contract should indicate that the university has no responsibility for the tax consequences.

Vice President Conner responded that the contract was reviewed by the Attorney General's Office.

**MOTION:**

Regent Collins moved to authorize the following action on behalf of the University of Northern Iowa, subject to approval of the Executive Council of Iowa: (1) The purchase of property located at 110 Clay Street, Cedar Falls, at the purchase price of \$55,000; (2) The exchange of the Clay Street property plus \$10,000 for the acquisition of property located at 1222 West 22nd Street Falls. Regent Furgerson seconded the motion, and upon the roll being called, the following voted:  
AYE: Berenstein, Collins, Furgerson, Hendricks, Johnson-Matthews, Newlin, Pellett, Tyrrell.  
NAY: None.  
ABSENT: Dorr.

**MOTION CARRIED UNANIMOUSLY.**

President Berenstein then asked Board members and institutional officials if there were additional items for discussion pertaining to the University of Northern Iowa.

Regent Furgerson stated that on June 4 and 5 the University of Northern Iowa hosted an international conference on short story and English, which she attended. The conference included people from all over the world, particularly the United States and France. She said it was a wonderful experience and offered individuals a chance to meet people whom they might not have otherwise had the opportunity to meet. This was also an excellent opportunity to promote multiculturalism on the campus. She hoped that all the Regents would attend the conference when it is held again in 2 years.

## IOWA SCHOOL FOR THE DEAF

The following business pertaining to Iowa School for the Deaf was transacted on Tuesday, June 14, 1994.

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

Register of Personnel Changes for May 1994.

Appointment of James Heuer as Treasurer and Secretary in accordance with Chapter 262.9 of the Code of Iowa for the fiscal year beginning July 1, 1994.

**MOTION:** Regent Collins moved to approve the personnel transactions, as presented. Regent Furgerson seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

**APPROVAL OF CALENDAR.** The Board Office recommended the Board approve the calendar proposed by Iowa School for the Deaf for the 1994-95 school year.

Iowa School for the Deaf officials requested approval for its 1994-95 school calendar, which has 180 student days and 189 faculty days between August 18, 1994, and May 30, 1995.

The calendar was similar to that approved by the Board for 1993-94. The school year will begin August 22, 1994, and end on May 26, 1995. Winter break extends from December 22, 1994, to January 4, 1995.

**MOTION:** Regent Newlin moved to approve the calendar proposed by Iowa School for the Deaf for the 1994-95 school year. Regent Pellett seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

**REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.** The Board Office stated the Iowa School for the Deaf had no transactions on its capital register.

IOWA SCHOOL FOR THE DEAF  
June 14, 1994

**APPROVAL OF LEASES.** The Board Office recommended the Board approve the following leases:

With various tenants in the school-owned residences, apartments and garages, at the rate of \$188 per month for the residences, \$216 per month for the apartments, and \$20 per month for the garages, for the period commencing July 1, 1994, through June 30, 1995.

**MOTION:**

Regent Furgerson moved to approve leases, as presented. Regent Johnson-Matthews seconded the motion, and upon the roll being called, the following voted:

AYE: Berenstein, Collins, Furgerson, Hendricks, Johnson-Matthews, Newlin, Pellett, Tyrrell.

NAY: None.

ABSENT: Dorr.

**MOTION CARRIED UNANIMOUSLY.**

President Berenstein 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 Tuesday, June 14, 1994.

Director Utsinger expressed greetings on behalf of Superintendent Thurman who was in Australia.

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

Register of Personnel Changes for the period April 24 to May 21, 1994.

Appointment of LUANN WOODWARD as Secretary and Treasurer in accordance with Chapter 262.9 of the Code of Iowa for the fiscal year beginning July 1, 1994.

**MOTION:** Regent Collins moved to approve personnel transactions, as presented. Regent Furgerson seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

**APPROVAL OF 1994-95 SCHOOL CALENDAR.** The Board Office recommended the Board approve the calendar proposed by Iowa Braille and Sight Saving School officials for the 1994-95 school year.

Iowa Braille and Sight Saving School officials requested approval for its 1994-95 school calendar, which has 180 student days and 189 faculty days between August 17 and May 24.

The calendar adheres closely to that of the Vinton/Shellsburg Community School District, which was granted approval to begin school a week earlier this year.

Iowa Braille and Sight Saving School officials requested to begin a week earlier so that IBSSS students who take classes in the Vinton/Shellsburg Schools will not miss the first week of classes.

The Fall Vision Conference, which brings in speakers from across the country to provide a workshop for teachers of the visually impaired, will be held November 4-5.

## IOWA BRAILLE AND SIGHT SAVING SCHOOL

June 14, 1994

Winter break extends from December 23, 1994, to January 2, 1995.

Regent Hendricks questioned a discrepancy in the date students return from winter vacation between Iowa Braille and Sight Saving School and Iowa School for the Deaf.

Director Utsinger responded that Iowa Braille and Sight Saving School officials strive to stay in sync with the Vinton schools' calendar, not with the calendar of Iowa School for the Deaf.

**MOTION:** Regent Furgerson moved to approve the calendar proposed by Iowa Braille and Sight Saving School officials for the 1994-95 school year. Regent Newlin seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

**CANDIDACY REPORT FROM THE NORTH CENTRAL ASSOCIATION OF COLLEGES AND SCHOOLS (NCA).** The Board Office recommended the Board receive the report.

This was a report on the status of the Iowa Braille and Sight Saving School's efforts to achieve outcomes accreditation from the North Central Association of Colleges and Schools, the regional accreditation organization for Iowa and other states in the region.

In 1992 Iowa Braille and Sight Saving School officials began the effort to achieve a new form of accreditation known as "outcomes accreditation" as an alternative to an accreditation organization for schools of the blind and the traditional form of accreditation offered by the North Central Association.

Outcomes accreditation requires that a school demonstrate that all students have accomplished something and involves the entire staff in setting goals for students in addition to the traditional accreditation standards.

School officials were notified that it had achieved "candidacy status" toward outcomes accreditation by the North Central Association. Candidacy status is awarded after a school has done some major preliminary work. It was believed that the full outcomes accreditation process would take 2-3 years to be completed.

School officials were congratulated for their progress toward achieving full outcomes accreditation.



IOWA BRAILLE AND SIGHT SAVING SCHOOL  
June 14, 1994

**ACTION:** This report was received by consent.

**REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.** The Board Office stated that Iowa Braille and Sight Saving School officials reported no transactions on its Capital Register.

**APPROVAL OF LEASES.** The Board Office recommended the Board approve the following leases:

With the BENTON COUNTY EXTENSION OFFICE for its use of 3,029 square feet of space in Palmer Hall on the campus of the Iowa Braille and Sight Saving School at the rate of \$465.33 per month for the period commencing July 1, 1994, through June 30, 1995;

With HAPPY TIME CHILD DEVELOPMENT CENTER for its use of 4,500 square feet of space in the Cottage Building on the campus of the Iowa Braille and Sight Saving School at the rate of \$574.18 per month for the period commencing July 1, 1994, through June 30, 1995;

With the IOWA DEPARTMENT OF PUBLIC HEALTH for its use of 222 square feet of space in the Old Hospital on the campus of the Iowa Braille and Sight Saving School at the rate of \$351 per year for the period commencing July 1, 1994, through June 30, 1995; and

With the VINTON COMMUNITY SCHOOL DISTRICT for its use of 3,118 square feet of space in Palmer Hall on the campus of the Iowa Braille and Sight Saving School at the rate of \$1,316.25 per quarter for the period commencing July 1, 1994, through June 30, 1995.

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

**MOTION CARRIED UNANIMOUSLY.**

IOWA BRAILLE AND SIGHT SAVING SCHOOL  
June 14, 1994

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

**EXECUTIVE SESSION.** President Berenstein requested the Board reconvene in closed session to continue evaluations of employees' performance, and to discuss a matter which is in litigation or where litigation was imminent pursuant to Code of Iowa section 21.5(1)(c).

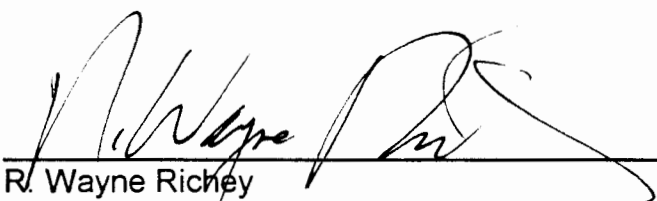
**MOTION:** Regent Hendricks moved to enter into closed session. Regent Tyrrell seconded the motion, and upon the roll being called, the following voted:  
AYE: Berenstein, Collins, Furgerson, Hendricks, Johnson-Matthews, Newlin, Pellett, Tyrrell.  
NAY: None.  
ABSENT: Dorr.

**MOTION CARRIED UNANIMOUSLY.**

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 2:58 p.m. on Tuesday, June 14, 1994, and recessed therefrom at 3:15 p.m.; reconvened at 3:20 p.m. and recessed at 4:03 p.m.; and, reconvened at 4:05 p.m. and recessed at 5:35 p.m. on that same date.

**ADJOURNMENT.**

The meeting of the State Board of Regents adjourned at 5:35 p.m., on Tuesday, June 14, 1994.

  
R. Wayne Richey  
Executive Director