

The State Board of Regents met electronically on Wednesday, February 21, 1996. The following were in attendance:

February 21

Members of State Board of Regents

Mr. Pomerantz, President	All sessions
Mr. Collins	Excused
Mr. Dorr	All sessions
Mrs. Kennedy	All sessions
Ms. Mahood	All sessions
Mr. Newlin	All sessions
Mrs. Pellett	All sessions
Mrs. Smith	All sessions
Dr. Tyrrell	All sessions

Office of the State Board of Regents

Executive Director Richey	All sessions
Deputy Executive Director Barak	All sessions
Director Houseworth	All sessions
Director Williams	All sessions
Associate Director O'Rourke	All sessions
Minutes Secretary Briggie	All sessions

State University of Iowa

President Coleman	All sessions
Acting Provost Becker	All sessions
Vice President Manasse	All sessions
Vice President True	All sessions
Associate Vice President Small	All sessions
General Counsel Schantz	All sessions
Director Yanecek	All sessions

Iowa State University

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

University of Northern Iowa

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

Iowa School for the Deaf

Superintendent Johnson	All sessions
------------------------	--------------

GENERAL
February 21, 1996

Director Heuer	All sessions
<u>Iowa Braille and Sight Saving School</u>	
Superintendent Thurman	All sessions
Director Woodward	All sessions

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday, February 21, 1996.

APPROVAL OF MINUTES OF BOARD MEETING OF JANUARY 17, 1996. The Board Office recommended the Board approve the Minutes, as written.

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

ACTION: President Pomerantz stated the Board approved the Minutes of the January 17, 1996, meeting, as written, by general consent.

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

Receive the report on the Iowa 4-H Foundation (ISU);

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

Approve the appointment of Dr. Richard Stinchfield to the Advisory Committee of the Iowa Braille and Sight Saving School.

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

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a) Annual Report on State Extension/Continuing Education. The Board Office recommended the Board (1) receive the annual report of the State Extension and Continuing Education Council, 1994-1995; (2) defer action on the recommendation for a one-time appropriation for the development of Iowa Communications Network (ICN) sites at this time; and (3) request that the State Extension and Continuing Education Council revise the strategic plan, "Strategic Plan for Off-Campus Programming," in light of the changing technology and environment of higher education and present it to the Board.

The Action Plan for 1995-1996 continues to rely upon the Regents 1990 "Strategic Plan for Off-Campus Programming."

Access to ICN classrooms remains an on-going concern which has hampered delivery of courses. The council's single recommendation is that the Board seek a one-time appropriation for the development of Iowa Communications Network (ICN) sites in key locations around the state that would be primarily dedicated to Regents programming.

The Interinstitutional Committee on Educational Coordination reviewed the annual report of the State Extension and Continuing Education Council and did not endorse the recommendation at this time.

The Interinstitutional Committee recommended that the State Extension and Continuing Education Council revise the strategic plan, "Strategic Plan for Off-Campus Programming," in light of the changing technology and environment of higher education. It was recommended that the revised plan be presented to the Board in July in order that it can be incorporated into the budget request as the Board may direct.

The Council continues to support five priorities in its action plan from 1993-1994:

- o Expansion of the capacity and increased access to the Iowa Communications Network (ICN).
- o Extension of programming at the Tri-State Graduate Study Center and the Quad-Cities Graduate Study Center.
- o Establishment of points of physical presence to support programming, such as the Southwest Iowa Regent Resource Center.

- o Consultation and cooperation on the issue of program duplication within the Regents' universities statewide mission.
- o Devotion of resources to restore the infrastructure needed to support continuing education and extension programming.

Regent Dorr asked 1) for the scope of the appropriation that the council desires the Board to request for the Iowa Communications Network classroom, and 2) what was meant by the priority "devotion of resources to restore the infrastructure needed to support continuing education and extension programming".

Dr. Pittman responded to the first question by stating that five additional classrooms at a cost of approximately \$100,000/classroom would be the amount of the appropriation request. With regard to Regent Dorr's second question, Dr. Pittman responded that an additional employee would be requested for Council Bluffs. In the future there would also be a need for specialized advising on an interinstitutional basis.

Regent Dorr stated that the numbers he had seen indicated that enrollments were declining and staffing was increasing.

Regent Pellett stated that there was a need to use aggressively the current ICN classrooms around the state. There is one classroom in every county and many more are being added.

Dr. Pittman stated that it is extremely hard for Regent representatives to schedule time in the current ICN classrooms because the classrooms are controlled by local authorities. Institutional representatives have entered into partnerships with the Iowa National Guard and are pursuing those opportunities very aggressively. He said that although the Iowa Communications Network is a statewide program, it is difficult for Regent institutional officials to schedule time due to local control of the classrooms. He said another factor for consideration of the request for additional classroom space is that off-campus instruction is becoming more sophisticated.

Regent Pellett encouraged Regent representatives to investigate further the ties and alliances that can be created to assist in Iowa Communications Network usage.

Dr. Pittman provided the example of ICN classrooms that are located in high schools which makes logistics difficult due to holiday closings, teacher in-service, etc.

Regent Dorr asked whether a statewide utilization survey of sites had ever been done.

Dean Vaughan responded that the Telecommunications Council reviews that type of information on a regular basis. He noted that an enormous number of classes will be coming on line on the Iowa Communications Network. Statewide scheduling of ICN classrooms is subject to a regional council whose scheduling reflects the interests and priorities of regional areas. He said the Regent universities need to schedule a block of time for 3 to 5 years for program offerings. When a university takes a program into an area a commitment is made to continue the program offering. When Regent university officials have tried to schedule time in the existing classrooms they have only been able to schedule for approximately 1/10 of the time needed for a program offering. He said the State Extension and Continuing Education Council was suggesting the creation of a network of classrooms for which scheduling would be controlled by the Regent universities in cooperation with the community colleges. Currently, the three Regent universities use all the capacity that has been created for them. He said creating classrooms from available funds is a very slow process.

With regard to enrollments, Dean Vaughan said the Regents cannot place much credibility in changes in enrollments as a reflection of what is being done. Enrollments are a reflection not of demand but of supply.

Regent Pellett said there are two ICN classrooms in her hometown that are empty much of the time.

Dean Vaughan stated that the classrooms experience horizontal and vertical scheduling. There are two systems with one scheduling system that gives preference to local scheduling.

Regent Tyrrell asked whether each advisory council has a Regent representative. Dean Vaughan responded affirmatively, noting that the individuals who serve as Regent representatives are chosen by the university administration as recommended by the State Extension and Continuing Education Council. He said three-fourths of the members of the advisory councils represent K-12 systems; therefore, Regent representatives are outvoted and, as a result, are not given the necessary access to ICN classrooms. He stressed that there are competing demands for the space and many members on the advisory councils do not view the Iowa Communications Network as a state system but as available only for local programs.

Regent Tyrrell suggested that Regent representatives lobby for a particular night and request that all the advisory councils agree to that particular "Regents" night. Dean Vaughan responded that the Regent institutions need six nights and every day on the ICN to meet the demand. He stressed the need for classrooms dedicated to Regents and community college programs.

Regent Dorr stated there was no question that there is surplus ICN classroom capacity in the state. He reminded Regent institutional officials of the Regents meeting with the State Board of Education in December and the desire to work together more cooperatively and collaboratively. Regent Dorr suggested that before embarking on major classroom development, Regent representatives work with Department of Education representatives for greater classroom scheduling. He said it was nonsense to build more classrooms when there is surplus capacity.

Dean Vaughan stated that the Educational Telecommunications Council and the regional telecommunications councils were created for the purpose of coordination. Dr. Barak and Marcia Bankirer serve as Regent representatives on the council.

President Pomerantz asked that the Board Office meet with the interested parties -- the Department of Education, community colleges and any others -- and return to the Board with a report and recommendation in response to this discussion. He said such an effort should take place before the Regents consider the creation of additional facilities.

Dean Vaughan stated that Regent institutional representatives would welcome such an effort.

ACTION: President Pomerantz stated the Board, by general consent, (1) received the annual report of the State Extension and Continuing Education Council, 1994-1995; (2) deferred action on the recommendation for a one-time appropriation for the development of Iowa Communications Network (ICN) sites at this time; and (3) requested that the State Extension and Continuing Education Council revise the strategic plan, "Strategic Plan for Off-Campus Programming," in light of the changing technology and environment of higher education and present it to the Board.

(b) Proposed A. Craig Baird Center for Public Advocacy and Debate at the University of Iowa. The Board Office recommended the Board approve the request for the A. Craig Baird Center for Public Advocacy and Debate at the University of Iowa.

The Interinstitutional Committee on Educational Coordination and the Board Office reviewed this request and both recommended approval. University of Iowa officials requested the Board's approval for the establishment of the A. Craig Baird Center for Public Advocacy and Debate within the Department of Communication Studies in the College of Liberal Arts.

The purpose of the proposed center is to support opportunities for students to debate public issues; to encourage the scholarly study and promotion of public advocacy and debate; and expand public forums and media debate of public issues. The center will provide new contexts for the study and practice of debate and argumentation and assist the Department of Communication Studies in developing its undergraduate and graduate curricula in argumentation and debate.

University officials indicated that no such center exists in Iowa. A strong program in intercollegiate debate does exist at the University of Northern Iowa. However, the center is considered to be an asset in attempts to develop state-wide cooperative activities.

The proposed funding would come from an endowment established for A. Craig Baird, a former professor and debate coach in the Department of Communication Studies. The fund was created to support the A. Craig Baird Distinguished Professorship and other activities consonant with the educational missions and outlook of Professor Baird.

Twenty-five percent of the proposed funding of the center will come from Continuing Education. Estimated cost will be approximately \$25,000.00 annually. This cost estimate included faculty, staff, and clerical salaries, supplies, equipment, travel and other costs.

The proposed director of the center is a faculty member of the Department of Communication Studies and will devote approximately half time to the center.

Interim Provost Becker stated that A. Craig Baird was one of the great faculty members at the University of Iowa. He said the proposal was truly mind training. He then introduced the first A. Craig Baird distinguished professor, Bruce Gronbeck.

Professor Gronbeck stated that the mission of the A. Craig Baird Center for Public Advocacy and Debate is academic and public service. He noted that this fall they would be launching a public service effort.

Regent Tyrrell noted that one of the debates was recently mentioned in the Daily Iowan.

Professor Gronbeck stated that a series of public debates are broadcast over WSUI Radio on issues of general interest to the campus. He hopes that one day the center will host a presidential debate.

President Pomerantz stated that Professor Baird was truly eloquent and that it was appropriate for the Regents to approve the university's request.

MOTION: Regent Tyrrell moved to approve the request for the A. Craig Baird Center for Public Advocacy and Debate at the University of Iowa. Regent Dorr seconded the motion. MOTION CARRIED UNANIMOUSLY.

(c) Name Change for the B.B.A. in Management Sciences at the University of Iowa.
The Board Office recommended the Board approve the request for change in the name of the B.B.A. degree in Management Science at the University of Iowa.

This item was referred to the Interinstitutional Committee on Educational Coordination and the Board Office, and both recommended approval.

University of Iowa officials requested that the name of the B.B.A. degree in Management Sciences be changed to the B.B.A. degree in Management Information Systems.

The current degree focuses entirely on what is now conventionally called "management information systems" while the title of the degree more frequently refers to the discipline that focuses on mathematical optimization. The proposed change to the B.B.A. in Management Information Systems will provide a more appropriate name for the degree.

University officials reports that there are no financial or academic changes involved in this title change.

MOTION: Regent Dorr moved to approve the request for change in the name of the B.B.A. degree in Management Science at the University of Iowa. Regent Newlin seconded the motion. MOTION CARRIED UNANIMOUSLY.

(d) Name Change for the Interdepartmental Program M.S. in Transportation at Iowa State University. The Board Office recommended the Board approve the proposed name change of Interdepartmental Program Master of Science.

The name change was reviewed by the Interinstitutional Committee on Educational Coordination and the Board Office, and both recommended approval.

Iowa State University officials requested the change in the name of the Interdepartmental Program Master of Science (with thesis) with a major in "Transportation Planning" to "Transportation."

During an academic review of this program last year the review team recommended changing the name of the program to "Transportation" in order to indicate the broader focus of the program. The change would make it similar to related programs at other universities.

University officials reported that there are no substantive financial or academic implications as a result of this proposed change.

MOTION: Regent Dorr moved to approve the proposed name change of Interdepartmental Program Master of Science. Regent Tyrrell seconded the motion.
MOTION CARRIED UNANIMOUSLY.

ACCREDITATION REPORT - M.A./M.S. URBAN AND REGIONAL PLANNING PROGRAM AT THE UNIVERSITY OF IOWA. The Board Office recommended the Board receive the report on the continuing accreditation of the M.A./M.S. in Urban and Regional Planning at the University of Iowa.

At its meeting in October 1995, the Planning Accreditation Board of the American Institute of Certified Planners granted continued accreditation to the M.A./M.S. program in Urban and Regional Planning at the University of Iowa through December 31, 2000.

The accreditation review consisted of a self study, an on-site visit and report by a review team, a response to the report by the university, and final review by the Planning Accreditation Board.

Out of the 90 criteria and guidelines the Planning Accreditation Board uses for accreditation, the program fully met 83 criteria and "partially met" the other 7 criteria.

The program offers 5 "sectoral majors" of its own as well as joint degree programs with Law, Engineering, Preventive Medicine and Environmental Health, Hospital and Health Administration, Economics, and Social Work. The Planning Accreditation Board noted that the quality of the sectoral major in Transportation Planning was "nationally competitive", and that the major in Economic Development "is also excellent", but that majors in Environmental Planning and Housing and Community Development are each too dependent on single faculty members, and that the major in Infrastructure Planning seemed "overly vocational" and did not seem to draw much student interest.

The program has decided to drop the major in Infrastructure Planning and will concentrate on strengthening the remaining majors.

ACTION: President Pomerantz stated the Board received the report on the continuing accreditation of the M.A./M.S. in Urban and Regional Planning at the University of Iowa, by general consent.

ORGANIZATIONAL AUDIT REVIEW BY PAPPAS CONSULTING GROUP. The Board Office recommended the Board (1) hear the presentation by Dr. Alceste Pappas on the Organizational Audit by the Pappas Group and (2) request that the Organizational Audit Oversight Committee, in consultation with the institutional heads, develop a process and timetable for addressing the recommendations in the Pappas report and present it for consideration by the Board at its March meeting.

In August 1995 the Board approved the award of a contract to the Pappas Consulting Group to conduct a review of the previous Organizational Audit by KPMG and to make recommendations. The specific objectives of the study were to:

- 1) Review and assess the strategic direction of the Board and its institutions and propose a strategic path for the future.
- 2) Evaluate the system's/institutions' responses to the various recommendations in the original organizational audit by KPMG.

The Pappas Group completed its work and presented 45 specific recommendations (16 for the Board of Regents/System-wide, 14 for the University of Iowa, 11 for Iowa State University, 4 for the University of Northern Iowa).

For each of the forty-five recommendations the Pappas Group identified (a) implementation strategies, (b) a time frame for completion, and (c) a change agent.

The recommendations are wide-ranging and cover fiscal as well as academic and non-academic areas.

- o The Pappas Group recommended that the institutions reallocate 10 percent or approximately \$84.0 million of their operating budget over the next three years, commencing with fiscal year 1997-98.
- o Board-level recommendations include: the development of a formal and systematic process for collaboration and coordination among the institutions; [the transformation of the academic core at the universities to redesign the educational experience; and redesign faculty workload].

- o At the University of Iowa, the recommendations include streamlining the program review process; reviewing enrollment management, student services, human resources; and government relations.
- o At the Iowa State University, the recommendations include broadening TQM; reviewing the extension service; re-examining undergraduate education, advising, career services, and needs of the non-traditional students; a stepped-up capital improvement program, and information management effort.
- o At the University of Northern Iowa, the recommendations include enhancement of continuing life-long learning for teachers; enhanced external relations; enhanced campus diversity; and a need for a comprehensive review and redesign of all administrative processes and technology.

Dr. Pappas discussed the process used for reviewing the organizational audit and the progress that has been made since the 1989 audit. Dr. Pappas stated that by and large the original recommendations were, in fact, implemented. She said the institutions had made incredible progress in a very short period of time.

Dr. Pappas reviewed some of the overarching findings and major recommendations of the report. She stated that Iowa, compared to many other states, is ahead of the game in asking the tough questions. She said the strengths clearly overshadow the weaknesses. Since the original 1989 audit, the University of Iowa has attempted to define much more clearly its mission and vision. Its current strategic plan is a very good first start; much more needs done at the collegiate level to focus more clearly. President Coleman, Interim Provost Becker and Vice President True are developing performance measures which require greater specificity.

Dr. Pappas stated that President Jischke and his administration had done much to focus Iowa State University's mission and to position it as the finest land grant university in the nation. With regard to the University of Northern Iowa, Dr. Pappas stated that it is an institution with a new CEO. She said UNI prides itself on its very efficient and student-oriented mission. The current planning process is moving heavily into customized education.

With regard to the academic core, Dr. Pappas stated that program duplication questions are not valid in 1996. They need to ask fundamental questions such as what is the unique learning environment necessary to meet the global world in which we live in relation to the institution's mission. They need to define the learning environment and focus on learning versus teaching.

Dr. Pappas stated that the consultants reviewed the program review process with an eye toward redesigning the process to reduce some of the redundancy of the data and documentation. She said faculty productivity and workload is not so much a matter of student credit hours but is a much more fundamental question: Given the manner in which we provide learning, what is the most effective manner in which to establish a faculty member's portfolio? There is a need to establish individual goals that are relevant to the faculty member.

Dr. Pappas reviewed the recommendations in the strategic action matrix developed by the consultants. She said the Board of Regents' first recommendation -- development of a strategic vision -- set the tone for the rest of the recommendations. The second recommendation was a subset of the first recommendation and requires much collaboration. Although much collaboration does take place, the consultants felt that the processes could become even more formalized. She said the third recommendation looked to the very core of the 5 institutions: academics. What will be the market demands for the graduates?

Dr. Pappas continued to review briefly each of the recommendations. With regard to the seventh recommendation -- reallocation of resources -- she said that in many ways Iowa State University has already begun that process. She said each institution has fundamental needs for staff development and increasing technology, and stressed that each of the three universities has engaged in some form of total quality management. With regard to the eighth recommendation -- review of report generation -- she said it was still an issue today as it was in 1989. With regard to recommendation 13 -- formal performance objectives -- she said much is done now but it should be more formally conducted.

Dr. Pappas summarized the recommendations for the three universities. With regard to the University of Iowa, she said the future efforts need to be on the strategic plan and an invasive review of the academic core. She noted that at the University of Iowa a lot had been done to engage in total quality management. With regard to Iowa State University, Dr. Pappas noted that total quality management has taken place in the business and finance areas. She said Iowa State University officials need to continue to examine undergraduate programs. There is also a need to review administrative processes and systems as well as technology needs. With regard to the University of Northern Iowa, she said formal technology training needs to take place. University of Northern Iowa officials need to focus on issues concerning administrative processes and technology. The current effort to customize undergraduate education is right on target.

Dr. Pappas concluded by stating that what she had presented was a short synopsis of six months of work.

President Pomerantz thanked Dr. Pappas for what he considered to be a very comprehensive report, especially considering the scope the consultants were given. He noted that the organizational audit effort actually started in 1987.

In terms of the Board Office, President Pomerantz said there was probably a need to bring in a consultant fairly soon to work with staff to address some of the concerns raised by the Pappas Group and to modernize and upgrade systems and procedures over the next couple of years. He stated that the Board Office and institutional systems should all be integrated.

With regard to faculty productivity, President Pomerantz said that no other area receives more attention from the Regents' constituencies. A procedure needs to be developed that would be fair to the faculty. For example, at the college level the department head could meet annually with each faculty member and with faculty as a group to develop a set of standards that would encompass teaching, research, and service depending on the faculty member's emphasis. They would arrive at an agreement which would then have to be approved by the dean and ultimately by the provost. The idea would be to move away from reviewing the number of semester hours in the classroom and focus on total productivity. He said administrators need measures so there can be accountability. This was an opportunity to provide leadership in the area of faculty productivity measurement.

President Pomerantz referred to the recommendation for reallocation and stated that varying amounts had been done. He said the University of Northern Iowa had probably reallocated the least historically while Iowa State University was in the forefront of the three institutions. He suggested that rather than reallocating a certain percent per year they should establish a minimum percentage for each year. He felt that may be more workable than what was recommended.

President Pomerantz noted that Dr. Pappas did not address research in her report.

Dr. Pappas responded to President Pomerantz's comments. She stated that 10 percent is what most institutional heads believe can be reallocated if they really believe in reallocation and focusing. With regard to the system and technology recommendation, she said many institutional officials still do not know how to deal with the explosion taking place in technology. There is a need to focus in a better way than was now being done. With regard to the academic core, she said they were really dealing with concepts of learning versus teaching.

Dr. Pappas stressed that the Board Office had a very small staff with minimal bureaucracy. From that standpoint, the office is in great shape. She had recommended the addition of a staff person responsible for planning efforts, given the very strong focus

in the report on interinstitutional collaboration. The issues of protocols, systems and technology does need to be addressed at the Board Office.

With regard to the issue of faculty productivity, Dr. Pappas said it has incredible implications for promotion and tenure and raises very fundamental issues. Faculty engage in academic advising. Student credit hours does not really provide an understanding of what a faculty member should be doing.

Finally, Dr. Pappas said the report did not focus on research because research was not a focus in the original organizational audit report.

Regent Dorr asked for clarification of the recommendations concerning the relationship between liberal arts and professional education. Dr. Pappas stated that one of the incredible challenges for educational institutions is to determine what it takes for a student to be productive in employment. Historically, educators have tried to define the core of learning experiences which provides a feeder for professional education. The consultants were questioning whether there are ways in which learning can be redefined at the professional level and at the liberal arts level where there becomes less distinction between liberal arts education and professional education.

Regent Dorr asked why, at a time when businesses are being cannibalized every 3 to 5 years, were they not to assume that higher education institutions' structures might be cannibalized every 5 to 7 years, as well? If that is the case, does that mean the traditional strategic planning process is outmoded? Are there other new processes that will evolve into an ongoing strategic planning process that becomes part of the performance-based component, which ultimately will define what learning is?

Dr. Pappas said she believed that all the elements in the traditional strategic planning processes are going to be there going forward but will continuously be reviewed. She said the missing element of performance measures in individual staff performance is the ability to meet the goals and objectives of the strategic plan.

Regent Dorr asked if there were templates that would be effective. Dr. Pappas responded that the closest parallel is what has been taking place in the health care industry. She noted that higher education is mission based and constituency driven. The diversity of students cannot be captured in strategic planning. Institutions cannot focus on the traditional 18- to 22-year-old students although she did not think campuses would physically go away.

Regent Tyrrell addressed the issue of customizing education for students. He said arts and sciences education at the universities is curriculum driven versus learning driven. He questioned whether annual reviews at the college level, perhaps with input from the

graduate colleges it feeds and from constituencies and graduates on how the college could better serve their needs and be more responsive would be productive.

Regent Tyrrell stated that the Regents serve an important oversight function. They review volumes of material and information in their pursuit of making good judgments. He cautioned that the Regents proceed carefully in implementing the consultant's recommendations to ensure that vital oversight function is not diluted.

Dr. Pappas stated that the reason the Regents have the trust of the constituencies is because they do perform an important review process.

Regent Newlin offered a vote of thanks to those Regents who made the decision to undertake the original organizational audit. He congratulated institutional officials for the work done in implementing the original recommendations. He said that what was presented in this follow-up report was a starting place for each institution to achieve an even higher level of excellence.

Regent Newlin expressed appreciation to Dr. Pappas and her colleagues for the fine job they had done in formulating the follow-up report. He noted that the Regents would not necessarily accept every one of the consultant's recommendations.

Regent Kennedy said it was her impression that the Board members have always maintained a good balance between being policy setters and being involved directly with the administrative duties of the institutions. She asked for clarification on how to maintain that balance between the Board and the proposed Board task force. Task force members could become involved in strategic planning or mission setting. How, then, do they not become micromanagers?

Regent Kennedy stated that a second concern was that the Regents could become a board working in fractions with loyalties to different institutions because they have been so involved at an institutional level.

Dr. Pappas responded that it would be a tough balancing act. She said the recommendation was an effort to provide the Regents with an opportunity on an 18-month rotating basis to work with a particular campus to get a sense of some of the

issues with which institutional officials were grappling. She emphasized that the recommendation was fraught with some risk. The intent was to provide the Regents with a better sense of what was going on at an institution without becoming too involved in day-to-day operations.

MOTION: Regent Kennedy moved to request that the Organizational Audit Oversight Committee, in consultation with the institutional heads, develop a process and timetable for addressing the recommendations in the Pappas report and present it for consideration by the Board at its March meeting. Regent Mahood seconded the motion. MOTION CARRIED UNANIMOUSLY.

REVIEW OF BOARD OF REGENTS STRATEGIC GOALS. The Board Office recommended that the Board give preliminary consideration to the Regents strategic planning goals as initially approved in September 1989 and as subsequently revised, and request the Oversight Committee for the organizational audit recommend a process to address strategic planning recommendations contained in the Pappas report.

Members of the Board were recently asked to suggest modifications to the Board's goals. Several goals were combined in an effort to clarify and focus the interests of the Board. The Board's first priority, quality teaching, remains the same. New strategies were added at the suggestion of one or more Regents.

The review indicated that the Regent goals have functioned reasonably well in 1) guiding institutional strategic planning and 2) directing annual budget development.

It was recommended that the Board give preliminary consideration to the revised goals in February and final consideration in March.

The Pappas report recommended that the Board "create, articulate and implement a strategic vision" for the Regent institutions which needs to be developed.

The Board of Regents desires that the institutions under the Board have as their goal to be of the highest quality and strive to be among the very best of comparable institutions. To this end the Board identified twelve goals to be incorporated in each institution's strategic plan to the extent they are applicable.

Director Barak stated that the goals that had arisen as a result of the organizational audit had yet to be incorporated. President Pomerantz suggested the Board defer

action on its strategic goals until the listing is brought up to date as a result of the organizational audit.

Regent Newlin noted that the two new university presidents who were currently working on their institutional strategic plans may want to incorporate new ideas into the Regents' goals. President Pomerantz responded that the institutional heads were aware of the Board's timeline.

ACTION: President Pomerantz stated the Board deferred action on this docket item until next month.

PROGRESS REVIEW OF THE INSTITUTIONAL STRATEGIC PLANS. The Board Office recommended the Board receive the preliminary reports on strategic planning by the universities and schedule in-depth presentations at the March meeting of the Board.

Officials of the University of Iowa and the University of Northern Iowa are in the preliminary stages of developing new strategic plans with the leadership of Presidents Coleman and Koob.

In 1993, Iowa State University officials began a major re-evaluation of its strategic plan and developed a new university-wide plan that was approved by the Board last April.

The written materials provided by the universities to the Board Office are congruent with the Regents' August 1994 statement on goals.

At the March meeting, the Regents will receive in-depth reports on strategic planning from each of the universities.

Mr. Richey stated that this docket item was to serve as a reminder to the Regents that the institutional strategic planning activities are underway and will be docketed for a more in-depth report in March. The reports to be presented in March would include the implications of the Pappas report.

Regent Newlin stated that the Pappas report talked about "vision". He believed the Board needed not only a separate mission statement but a brief and concise vision statement, as well.

Regent Tyrrell expressed concern that good vision statements and strategic plans are written, and these documents come to the Board in bits and pieces. He suggested that as the organizational audit oversight committee continues its work, the members consider the establishment of benchmarks to indicate the progress that is being made.

Mr. Richey responded that institutional officials would be asked to address those very ideas in April and May as preliminary budgets are presented.

President Pomerantz suggested that one measure might be whether graduates are successful.

Regent Newlin stated that if there are objectives, strategies and action steps to implement the objectives, accountability is a simple issue.

ACTION: President Pomerantz stated the Board received the preliminary reports on strategic planning by the universities and schedule in-depth presentations at the March meeting of the Board, by general consent.

REPORT OF THE BANKING COMMITTEE. The Board Office recommended the Board accept the report of the Banking Committee and approve the proposed bond refunding program and the Request for Proposals for the Board's investment advisor.

Regent Dorr stated that at that morning's Banking Committee meeting, the members reviewed quarterly investment and cash management reports, internal audit reports for the University of Iowa and the University of Iowa Hospitals and Clinics, a state audit report of selected departments at the University of Iowa, and external audit reports for the University of Iowa.

The Banking Committee members were presented with a proposal to embark on bond refinancing efforts. The Banking Committee indicated it would bring the proposal to the full Board for approval.

Regent Dorr stated that the Banking Committee recommended the Board authorize a Request for Proposals for the Board's investment advisor under the Board's five-year review process.

MOTION: Regent Dorr moved to accept the report of the Banking Committee and approve the proposed bond refunding program and the Request for Proposals for the Board's investment advisor. Regent Newlin seconded the motion, and upon the roll being called, the following voted:
AYE: Dorr, Kennedy, Mahood, Newlin, Pellett, Pomerantz, Smith, Tyrrell.
NAY: None.
ABSENT: Collins.

MOTION CARRIED. (The specific bond refunding motions can be found on pages 650 and 670 of these Minutes.)

Regent Dorr noted that the bond refundings would save nearly \$3 million.

REPORT ON LEGISLATIVE SESSION. The Board Office recommended the Board receive information on the 1996 legislative session.

On February 14, the Executive Director made a presentation on capital improvements to the Joint Education Appropriations Subcommittee. While the meeting was focused primarily on the Regents' capital program, issues such as enrollments and building repairs were discussed. Representatives from the universities were present and participated in the discussions.

President Pomerantz and the Executive Director appeared before the Joint Oversight, Audit and Government Reform Appropriations Subcommittee on February 7.

The following is the status of the highest priority bills being monitored by the Board of Regents' staff and legislative liaisons:

HF 2114 - This bill relates to and makes supplemental appropriations for the fiscal year beginning July 1, 1995, and provides an effective date.

Regent Position: MONITOR

HF 2170/SF 2181 - This bill provides an income tax credit or deduction for tuition paid to an accredited postsecondary institution in Iowa. The amount that may be deducted per dependent shall not exceed 25 percent of the actual tuition paid, and the credit is equal to 1.25 percent of the tuition paid per dependent. The course of study for which tuition is paid must lead to an associate or baccalaureate degree.

Regent Position: RECOMMEND MONITOR

HF 2238 (Successor to HF 2029) - This bill requires the boards of directors of the community colleges to provide certain specified information annually to the Department of Education and creates a legislative task force to study the need for the community colleges to operate effectively and efficiently as a state system. Under the bill, the legislative task force study shall include, but is not limited to, a review of the governance system of the community colleges.

Regent Position: MONITOR

SF 2063 - This bill establishes a school improvement technology program and appropriates \$150 million over a five-year period to fund instructional technology. The funds, \$30 million for each fiscal year, are appropriated to the Department of Education for allocation to school districts, the University of Northern Iowa Price Laboratory School, the Iowa School for the Deaf, the Iowa Braille and Sight Saving School, and Area Education Agencies.

The bill, as amended and passed by the Senate, appropriates the \$30 million annual funding for a five-year period beginning in FY 1996. The bill provides for the allocation of funds based on enrollment, but provides a minimum annual allocation of \$15,000.

This bill, recommended as amended and do pass, by the House Education Committee appropriates the \$30 million annual funding for a five-year period, beginning in FY 1997. The bill provides for an allocation to the Iowa School for the Deaf and Iowa Braille and Sight Saving School of a minimum of \$60,000 the first two years and a minimum of \$15,000 the remaining years.

Regent Position: RECOMMEND SUPPORT

SF 2166 - This act brings the State of Iowa in line with the rest of the country. The contribution of TIAA/CREF participants is treated as pre-tax dollars with both the federal and state governments. This change would allow IPERS employees to be treated the same as the TIAA/CREF employees.

Regent Position: RECOMMEND MONITOR

SF 2191 - This bill requires Executive Council approval before awarding a contract for the expenditure of state moneys in excess of \$500,000. The bill does not apply to a contract for the purchase of coal.

Regent Position: RECOMMEND MONITOR

SSB 2140 - This bill augments the requirements for registration by a postsecondary school in Iowa and increases the registration fees. Any school that has a presence in Iowa and maintains or conducts courses, including correspondence courses, in Iowa, other states, or foreign countries, must register annually with the Secretary of State and will be issued a letter of registration.

Regent Position: RECOMMEND SUPPORT

LEGISLATIVE PROGRAM

The Board's legislative program includes the following:

- The Attorney General's Office has reviewed the proposal submitted by the University of Northern Iowa regarding transcript fraud and has determined that existing criminal law would provide a means to prosecute for the making or alteration of official university records. However, it is their opinion that existing law would not cover resume fraud. A bill currently is being drafted.
- In November, the Board endorsed revisions proposed by the Iowa Coordinating Council for Post-High School Education of Iowa's "Registration Law" for out-of-state institutions wishing to operate in Iowa. These revisions are incorporated in SSB 2140.
- Legislation establishing a school improvement technology program (SF 2063) includes funding for the two special schools and the University of Northern Iowa Price Lab School.
- Section 270.4 of the Code of Iowa provides that the superintendents of the special schools shall provide students, who would otherwise be without, with clothing, prescription refills or transportation. This section should be clarified to delete the word "refill" in order to allow reimbursement for all prescriptions. In addition, a provision should be added to this section which would allow the special schools to withhold funds owed by the schools to parents of students in order to offset bills owed by the parents for clothing, prescriptions and transportation services.

Mr. Richey stated that the legislators were on a schedule for an earlier-than-usual adjournment. He reported on developments that have taken place since the docket memorandum was written. Funding was included in a supplemental bill for industrial technology at the special schools. Another bill relative to the community colleges establishes requirements for information from the community colleges to the State Department of Education. The proposal also requires a study to determine whether to

put the community colleges into a statewide governance system. He said that proposal apparently is a substitute to the Millage bill.

Mr. Richey stated that a House bill set targets for operating appropriations for education that are \$6.2 million below the Governor's recommendation. The Senate has not yet taken up the matter. He said that Board Office and institutional representatives as well as President Pomerantz had made appearances before numerous legislative subcommittees. He reported that those had all been very productive meetings.

President Pomerantz stated that cooperation between the Regent institutions during this legislative session had been extraordinarily good. The Regents' legislative program was well coordinated and the liaisons were working well together.

ACTION: President Pomerantz stated the Board received information on the 1996 legislative session, by general consent.

BOARD OFFICE PERSONNEL TRANSACTIONS. The Board Office recommended the Board approve the personnel transactions, as follows:

Appointment: DENNIS O'ROURKE as Associate Director, Business and Finance effective February 1, 1996, at an annual salary of \$66,000 plus the usual fringe benefits.

Appointment: JULIE SEAL as Affirmative Action Officer/Assistant Director, Business and Finance effective February 19, 1996, at an annual salary of \$48,000 plus the usual fringe benefits.

Resignation: DANIAL VIA, Research Associate, effective February 16, 1996.

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

AFFILIATED ORGANIZATION: REPORT ON IOWA 4-H FOUNDATION AT IOWA STATE UNIVERSITY. The Board Office recommended the Board receive the report on the Iowa 4-H Foundation (ISU).

An independent audit for the fiscal year ended August 31, 1995 concluded that the 4-H Foundation complied in all material respects. The annual report and financial information of the organization presented in this report is on file at the Board Office.

The Iowa 4-H Foundation, founded in 1949 to support the development of the Iowa 4-H Camp at Madrid, serves today to assist Iowa's youth in becoming productive, self-directed, contributing members of society. The Foundation provides financial assistance for 4-H and youth programs and projects for which tax moneys are insufficient or ineligible.

Major improvements to the 4-H Center completed during the fiscal year included new carpeting in the main room; new ceramic tile in the kitchen, bathroom, and entryways; painting of the Elm Lodge kitchen; and construction of a metal building to house the new water treatment system.

A major new capital campaign entitled *Imagine Together* was inaugurated, with a goal of \$2.3 million by August 31, 1996. A total of \$227,468 was received from 258 Corporate and Business partners for fiscal year 1995, which represents a significant increase over the prior fiscal year because of the new capital campaign.

For the fiscal year ended August 31, 1995, revenue of \$1,267,347 exceeded expenditures of \$1,017,811 by \$249,536. As a result of the net income, the fund balance increased from \$1,746,501 on August 31, 1994 to \$1,996,037 on August 31, 1995.

ACTION: This report was received by consent.

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

The Board Office recommended the Board receive the report.

Estimated expenditures for the Board Office budget through June 30, 1996, are projected to increase to \$1,239,156 because of Board travel expense and cost of supplies. Additional costs would be financed by institutional reimbursement. Anticipated expenditures for personal services are expected to be very close to the budgeted amount for fiscal year 1996.

If there were to be a drop in expenditures for personal services, they would be offset by increases in recruiting expenses and moving expenses for a replacement employee.

ACTION: The report was received by consent.

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

The Iowa Coordinating Council for Post-High School Education met on February 14 at Drake University in Des Moines. Below is a summary of the major items of discussion at the meeting.

The council had some continued discussion of three critical issues that are related to the emerging role of the Coordinating Council in the voluntary coordination of postsecondary education in Iowa: 1) ICCPHSE membership eligibility; 2) program approval by non-members; and 3) sanctions for non-cooperating institutions.

The council asked that the Executive Committee undertake additional work on the issue of membership eligibility related to institutions that are not members of an organization representing their sector on the Coordinating Council. With some minor modification the council approved the proposed policies on program approval by non-members and sanctions for non-cooperating institutions.

The two policies approved by the council will allow the council to: 1) make comment on and/or actually approve/disapprove programs offered by non-members of the council, and 2) to take sanctions against institutions not abiding by a decision of the council.

The council heard a preliminary report of a committee charged with reviewing the criteria by which new program requests are reviewed by the Council. The Committee is considering requirements that would have the effect of encouraging articulation between the sectors, require early notification of new program development, and a common tuition for courses offered on the ICN. For the next meeting of the council the committee has been asked to also consider the issues of program "duplication" and "location".

The council heard a preliminary report from a committee charged with developing recommendations on the council's role in strategic planning among the Regents, community colleges, and private colleges and universities. The committee is developing some recommendations on data elements to be used in strategic planning and on the former Higher Education Strategic Planning Council's "strategic plan". Each of the sectors is developing strategic initiatives.

The council approved a modification in the charge of the articulation committee. The new charge is:

To review existing articulation promotion efforts and recommend to the ICCPHSE organizational or role changes which would reduce any duplication and/or confusion regarding the role of existing efforts.

Initiate or encourage efforts to document transfer success.

The council heard a presentation on a program called "Articulation 2000" a joint venture of the North Iowa Area Community College, the Regent universities and selected private colleges which has the potential to greatly enhance the articulation process. One effort includes an interesting "joint admission" program where the student enrolls at the 2-year and 4-year college at the same time. The intent of the program is:

To promote cooperative recruiting and early identification of transfer intentions;

To improve the mesh by expanding formal academic agreements between NIACC and transfer schools;

To embellish support before, during and after the transfer event;

To strengthen articulation and transfer by looking beyond the traditional and common practice; and

To seek a partnership with selected senior colleges and universities to pursue new levels of articulation.

The council approved new program or location requests at the University of Dubuque (Master of Arts in Communication); University of Northern Iowa (MAE degrees in Early Childhood Education and Elementary Reading & Language Arts), University of Osteopathic Medicine and Health Sciences (Health Care Administration), and 18 vocational programs at eight community colleges.

The Council deferred consideration of a new program request at Westmar College and encouraged the college to communicate with other institutions in the area regarding its proposed program.

ACTION: President Pomerantz stated the Board received the report of the Iowa Coordinating Council for Post-High School Education, by general consent.

APPOINTMENT OF DR. RICHARD STINCHFIELD TO THE IOWA BRAILLE AND SIGHT SAVING SCHOOL ADVISORY COMMITTEE. The Board Office recommended the Board approve the appointment of Dr. Richard Stinchfield to the Advisory Committee of the Iowa Braille and Sight Saving School.

President Koob nominated Dr. Richard Stinchfield to replace Dr. Sandra Alper on the Advisory Committee of the Iowa Braille and Sight Saving School. Dr. Alper has been unable to attend the advisory committee meetings.

Dr. Stinchfield will finish out Dr. Alper's term through August 31, 1996, and then will be eligible for reappointment for a full two-year term.

Dr. Stinchfield also serves on the Advisory Committee of the Iowa School for the Deaf, and has been a past chair of the ISD Committee.

The two special schools have many issues in common and Dr. Stinchfield will add continuity and experience to the IBSSS committee.

ACTION: The appointment was approved by consent.

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

March 20-21, 1996	Iowa State University	Ames
April 17-18	University of Northern Iowa	Cedar Falls
May 15 (p.m.)	Iowa Braille and Sight Saving School	Vinton
May 16	University of Iowa	Iowa City
June 19-20	University of Northern Iowa	Cedar Falls
July 17-18	Iowa State University	Ames
September 18-19	University of Iowa	Iowa City
October 16-17	University of Northern Iowa	Cedar Falls
November 20-21	Iowa State University	Ames
December 11-12		Des Moines
January 15, 1997	Telephonic	
February 19-20	University of Iowa	Iowa City
March 19-20	Iowa State University	Ames
April 16-17	University of Northern Iowa	Cedar Falls

Mr. Richey stated that two meeting dates needed changed: April 1996 and December 1996. He suggested, if everyone's schedules would permit, that the December meeting be scheduled for the third Wednesday of the month, which is December 18, 1996.

Regent Dorr stated that he would not be able to attend the December Board meeting if it is held on December 18, 1996.

President Pomerantz directed Mr. Richey to poll the Regents to see what day in the third week of December everyone could attend.

Mr. Richey stated that the April Board meeting was suggested to be moved to the earlier week, Monday, April 8, 1996.

GENERAL
February 21, 1996

President Pomerantz asked that Mr. Richey poll the Regents regarding the April 1996, as well, to try to accommodate everyone as best as could be done.

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

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

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, February 21, 1996.

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

Register of Personnel Changes for December 1995.

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

ANNUAL GOVERNANCE REPORT ON STATEWIDE FAMILY PRACTICE TRAINING PROGRAM. The Board Office recommended the Board receive the report.

The Statewide Family Practice Training Program has served Iowans for 23 years. Its goal is to provide a state network of community-based family practice residency programs for new medical doctors in major communities within the state. Currently, there are 9 sites in 7 communities serving 13 hospitals/medical centers.

<u>Program Location</u>	<u>Sponsor(s)</u>
1. Cedar Rapids	Mercy Medical Center St. Luke's Methodist Hospital/Iowa Health System
2. Davenport*	Genesis Medical Center
3. Des Moines*	Broadlawns Medical Center
4. Des Moines	Des Moines General Osteopathic Hospital
5. Des Moines*	Iowa Lutheran Hospital/Iowa Health System
6. Iowa City*	University of Iowa Hospitals and Clinics Mercy Hospital
7. Mason City*	North Iowa Mercy Health Center
8. Sioux City*	Marian Health Center St. Luke's Regional Medical Center/Iowa Health System

9. Waterloo* Allen Memorial Hospital/Iowa Health System
 Covenant Medical Center

*UI-Affiliated Family Practice Network

Each 3-year residency program offers a model medical office as its base for training activities; hundreds of private physicians from all medical specialties teach in the community-based residencies. Seven of the 9 sites participate in the UI-Affiliated Family Practice Network, which provides additional educational, research, and visiting faculty programs and resource sharing.

Through this University of Iowa network, first professional degree medical students and advanced graduate medical students participate in clinical activities which enhance academic classroom work.

While 13 to 15 percent of medical students choose to enter family practice nationally, University of Iowa medical students traditionally select family practice at a much higher rate. (University of Iowa Class of 1995 - 33 percent)

Of the Statewide Family Practice Training Program's 55 first-year training positions offered in 1995, there were 7 applicants for each position.

The program's 179 residents represent 42 medical colleges. There are 129 medical doctors (MD) and 50 osteopathic doctors (DO). Women number 65 (36 percent) of the 179 residents.

There are 50 to 65 physicians who complete the residency program annually. The likelihood that non-Iowa medical graduates will choose to practice in Iowa is substantially increased by their training for 3 years in an Iowa residency program.

There are currently 484 graduates of the program practicing medicine in Iowa. Over the past 2 decades, 60 percent of the graduates have selected Iowa for their initial practice location. Forty-five percent are in communities with populations under 10,000.

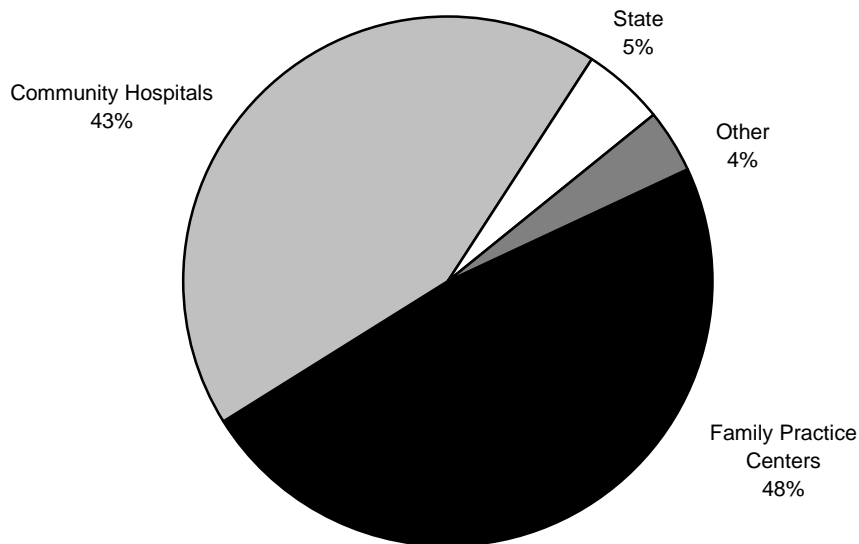
Patient visits to the family practice centers increased almost 2 percent during the past year from approximately 232,000 to almost 237,000. Faculty from 14 College of Medicine departments conducted about 150 teaching visits to the UI-Affiliated centers, augmenting residents' training opportunities and providing continuing medical education for private physicians.

Another service provided by the University of Iowa College of Medicine and related to the Statewide Family Practice Training Program is the Rural Physician Support Program. Rural physicians can plan continuing education, vacation, or take medical

leave without leaving their practices unattended while Statewide Family Practice Training Program residents temporarily staff these rural practices. Last year, 29 rural communities across the state received 63 weeks of coverage in this program.

Of the \$1,840,624 State appropriation, \$1,472,500 was used in training grants for the 9 sites. This is 5 percent of the \$27,441,287 financial support funding the program.

Sources of Financial Support



The remaining \$368,124 of the State appropriation was used for educational support services for the program.

President Pomerantz asked Vice President Manasse how he perceived the current balance of physicians in rural Iowa. Vice President Manasse responded that there are 120 vacancies in generalist positions in Iowa.

President Pomerantz asked what Vice President Manasse would tell the Iowa legislature about the 120 vacancies. Vice President Manasse responded that university officials are monitoring the vacancies. They are informing individuals of the opportunities and putting students into community-based practices.

President Pomerantz asked for a forecast of the vacancies 3 to 5 years from now. Vice President Manasse asked that Assistant to the Dean Roger Tracy respond to the question.

Assistant to the Dean Tracy stated that double digit net gains will be experienced in 1998 and the unmet demand will begin to reduce. There will be fewer than the current

131 Iowa communities that are actively seeking family doctors. He noted that the number of communities seeking family doctors has been coming down the last few years.

Regent Dorr asked for the number of underserved Iowans. Mr. Tracy stated that most of the sites that are designated as federal shortage areas, counties with a population to physician ratio of 3500/1, would be rural counties with populations under 10,000. In terms of Iowans residing in counties where there is an official shortage, that would be a small portion of the state population. Iowa is now down to 21 rural counties that have a population to physician ratio greater than 3500/1. He stated that this is an almost precipitous moment, after 23 years of operation of this training program. Having kept pace with losses of doctors due to retirement, death and relocation of family doctors, the state is now at a point of experiencing double digit net gains.

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

MEETING OF THE IOWA STATE BOARD OF REGENTS AS THE BOARD OF TRUSTEES OF THE UNIVERSITY OF IOWA HOSPITALS AND CLINICS. The Board Office recommended the Board (1) receive the report on the operations of the UIHC and (2) approve the resolution on the transition of the Integrated Health Delivery, L.C. (IHD) to a health maintenance organization (HMO).

Quarterly Update on UIHC Operations, Programs, and Finances:

Year to date revenues are up 5.9 percent over the same period last year, while expenses are up 1.3 percent. Current operating margin is 7.6 percent compared to 3.4 percent last year.

Net revenue by payor shows a 14.6 percent decline in receipts from commercial insurers over the same period last year, while revenue from managed care is up 34.7 percent.

Full Time Equivalent (FTE) employees per occupied bed is down 1.9 percent over last year.

Acute patients for the period July-December 1995 totaled 12,844 versus 14,296 for July-December 1994. Admitted outpatients totaled 6,878 in July-December 1995 versus 3,313 for the same period in 1994.

Transition of IHD to Unity HMO:

UIHC officials presented a report on the plan to transition the Integrated Health Delivery Network, IHD, to a fully-licensed health maintenance organization.

The following resolution was presented to the Board for approval:

“Resolved, that the Board receives the report on the transition of Integrated Health Delivery L.C. (IHD) to a health maintenance organization (HMO) and the restructuring of the ownership of that entity to provide for 16.67% equity ownership by each of the three provider partners, including University of Iowa Affiliated Health Providers, L.C. (UIAHP) and 50% equity ownership by Blue Cross Blue Shield of Iowa (BCBSI).”

The plan will increase the ownership of UIAHP from 6.67 percent to 16.67 percent of the total equity in the HMO without the investment of additional funds beyond those previously authorized by the Board. Should there be significant expansion of enrollment in the HMO that outstrips reserves, or should there be significant operating losses, it is conceivable that additional capital might be required; however, the need for additional capital is not envisioned at this time.

In transitioning to an HMO, the health care providers and insurers will establish a 50/50 partnership. The new HMO will be incorporated in Iowa.

Other Agenda Items:

University of Iowa Hospitals and Clinics officials presented reports on “Managing Value: Phase II - Targets for FY 97 Budget Preparation” and the Physician Consultation and Referral Service.

Vice President Manasse stated that the data included in the report indicated that the University of Iowa Hospitals and Clinics is both programmatically and physically very healthy, and continues to meet the needs of all Iowans. However, he said they cannot rest on their laurels. Changes in federal programs will continue to have an effect on the UIHC. He said the data for the UIHC corresponded with what is happening to hospitals throughout the state. UIHC officials continue to effectively manage value and strengthen the health care enterprise.

Director Howell referred to the quarterly report of the UIHC, and stated that through the first six months of operations in fiscal year 1997, many of the trends continue to unfold. There continues to be a shift from inpatient to outpatient care delivery. There is a continued growth of managed care patients. He said that for the first time, managed care revenues exceed those from commercial insurance companies.

Mr. Yerington reviewed the financial performance measures for the year to date. He said net revenues increased 5.9 percent from the previous year. Revenues by payor are up 6.1 percent. The new university health plans have had a full 6 months of operation. Mental health care for Medicaid is driving managed care figures upward. The UIHC has experienced a 7.2 percent increase in general expenses. UIHC officials are experiencing some trouble in the pharmacy budget for drug expenses which he said relates mainly to hemophilia patients. Depreciation is up 9 percent, the operating margin is up, and FTEs are down.

Mr. Staley reviewed the patient census data for July to December 1995. There has been a 12 percent increase in aggregate admissions. He said the number of acute admissions is declining nationally and the UIHC's data was reflecting that decline, also. He reviewed the factors affecting the number of admissions. Admitted outpatients has almost doubled from last year. The average length of patient stay for acute patients has increased, while the length of stay for admitted outpatients has declined. Mr. Staley discussed why those figures could be impacted by the change in how patients are classified.

With regard to specialty inpatient care units, Mr. Staley said there has been a 12.2 percent growth in daily census. The case mix index has increased. The UIHC has the most complex case mix index of any hospital in the state.

Regent Newlin asked what secondary-level hospital in Iowa would have the highest case mix index. Mr. Staley responded that one or two hospitals in Des Moines as well as one hospital in Sioux City would have about the same high level of case mix index.

Regent Newlin asked how the case mix index of Mayo would compare to that of the University of Iowa Hospitals and Clinics. Mr. Staley responded that Mayo's index would be in about the same range as that of the University of Iowa Hospitals and Clinics.

Mr. Staley reviewed the data regarding ambulatory clinical visits including managed care patient volume. Regent Dorr asked how many sites are included in the number of outreach clinic visits. Mr. Staley responded that clinics take place in 28 different communities within the state of Iowa.

Regent Dorr asked whether the majority of those communities are in eastern Iowa. Mr. Staley responded that most of the clinics are in eastern Iowa but that clinics are located across the state.

Mr. Staley reviewed the progress in meeting capital replacement objectives of the UIHC. He noted that the new Eye Institute facility, located in the Pomerantz Family

Pavilion, had opened that week. A dedication ceremony is scheduled for April 26, 1996.

Director Howell reviewed with the Regents the continuing efforts of UIHC officials to manage value and the targets for the FY 1997 budget preparation. He stated that there has been a significant decline in legislatively-driven health reform which has given rise to market-driven health reform. There is now a relatively unstructured market. The marketplace is rapidly evolving. He discussed the four stages of market evolution. He said health care organizations that wait until advanced stages of market development to develop a competitive initiative will find themselves hard-pressed to recapture market leadership. In 1995 Iowa City was experiencing a relatively unstructured market.

Director Howell reviewed the University of Iowa's response to managed care and the strategies that are essential for academic medical centers to prosper in the maturing marketplace. He said that although much progress has been made, much remains to be done.

Mr. Yerington provided an assessment of the current environment and projections in managing value for the next 4 years. He said the UIHC has had to curtail growth by \$60 million in 1995 dollars. The current budget is only .7 percent higher than the previous year's budget and yet it has absorbed salary increases and other increases such as increases in pharmaceutical costs. He said the federal budget reduction proposals will also have a major impact on the University of Iowa Hospitals and Clinics. Depending on which version is approved, reimbursements of educationally-related costs by the year 2002 will be reduced by approximately \$14.5 million from current reimbursements for both Medicare and Medicaid programs. At present, in terms of the FY 1997 budget, UIHC officials are considering eliminating \$22 million.

President Pomerantz questioned whether some of the reduction occurs because of elimination of a number of beds. Mr. Yerington responded that reduction of beds was part of the reason. He said UIHC officials are currently studying occupancy rates with the idea of restructuring the inpatient nursing unit complements.

President Pomerantz stated that as they continue to manage value, the UIHC's focus clearly will be smaller. He asked for a projection of the number of beds in the future. Mr. Yerington responded that the UIHC currently has 800 beds and anticipates reducing that number to 620 within the next couple of years.

Mr. Richey asked whether consideration was being given to eliminating any disciplines or areas of specialty care over that period because of the large number of beds anticipated to be eliminated.

Mr. Howell responded that UIHC officials could never hope to financially achieve their aspirations without looking at unit costs of providing care. UIHC officials are beginning to manage cross-departmental costs. He said they will be reviewing total clinical enterprise resource consumption in an effort to obtain clinical care cost reductions. This effort will review where care should be given and what clinical expertise should be utilized in taking the broader look at providing care. He said it was within that context that UIHC officials will look at the clinical disciplines and how care can most effectively be provided.

President Pomerantz said it sounded like UIHC officials were defining an ongoing process of right sizing for the next century. He cautioned that while they were having some immediate success, they cannot lessen the focus on the changing health care environment. If they should falter the first thing to go would be the quality. He said some university hospitals in the country are being privatized. It would be a great loss for Iowans if that were to happen here. He stressed that a lot rested on the ability of university officials to stay on top of these changing times.

President Pomerantz expressed the Board's support for the efforts that have taken place, stating that he thought they were on the right track.

Mr. Howell stated that theirs was a long-term strategy to develop programs that support the citizens of Iowa.

President Pomerantz referred to the issue of rural medical care and adequate physician coverage of the whole state. He said there was an opportunity in rural Iowa that needs addressed jointly with the College of Medicine and the University of Iowa Hospitals and Clinics.

MOTION: Regent Pellett moved to (1) receive the report on the operations of the UIHC and (2) approve the resolution on the transition of the Integrated Health Delivery, L.C. (IHD) to a health maintenance organization (HMO). Regent Newlin seconded the motion. MOTION CARRIED UNANIMOUSLY.

Director Howell introduced Dr. Michael Kienzle, College of Medicine Associate Dean for Clinical Affairs, to discuss the physician consultation and referral service.

Dr. Kienzle stated that he was delighted to announce the opening of the Physician Consultation and Referral Center. He said the center will provide easy access to high-level supporting services. It is a user-friendly, timely and reliable service designed to link the calling physician or other health professional with a wide array of UIHC

services. The College of Medicine and University of Iowa Hospitals and Clinics equally fund the costs of the Physician Consultation and Referral Center.

Regent Tyrrell stated that he had received a copy of the clinical program materials that was being sent to all physicians in the state, and that he had communicated with the center's staff.

President Pomerantz asked about the opportunities beyond the state of Iowa to link up with other medical centers. Dr. Kienzle responded that the Virtual Hospital program, which was developed at the University of Iowa, is a multi-media database that is currently used 350,000 times/week worldwide.

Regent Pellett asked about the cost of the Virtual Hospital. Dr. Kienzle responded that the Virtual Hospital is a prototype that can be accessed by anyone who has Internet access. He said its accessibility is one of the reasons it has so many users and why it is used as a standard part of medical school curriculum in other countries. Virtual Hospital is a widely-respected resource. University officials will be expanding the system into the consumer information area.

Vice President Manasse stated that Dr. Kienzle's major responsibility in the health sciences center is telemedicine. He suggested that perhaps at another Regents meeting Dr. Kienzle could make a presentation on what is being done in the area of telemedicine.

Dr. Kienzle stated that a project current underway is Iowa's National Laboratory for the Study of Rural Telemedicine.

Regent Tyrrell stated that one of the problems in attracting physicians to rural communities is the professional isolation that many experience. He said these telemedicine activities should help greatly with addressing that problem.

President Pomerantz expressed appreciation for the presentation and wished university officials well as they continue to work through a very difficult health care situation.

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

PROJECT DESCRIPTIONS AND BUDGETS

Currier Residence Hall--Replace Windows \$919,000
Source of Funds: Dormitory Improvement Reserves

Preliminary Budget

Construction	\$ 801,125
Design, Inspection and Administration	
Architect/Engineering Services	35,000
Consultants	2,200
Contingencies	<u>80,675</u>
 TOTAL	 <u>\$ 919,000</u>

University officials requested approval of a project description and budget to replace the windows in Currier Residence Hall. The project will include the replacement of all windows with the exception of the dining wing and fourth floor dormer windows.

The project will include removal of 489 double hung windows and 58 awning windows which will be replaced with thermal aluminum frame double hung windows. The project will also include removal of 31 double hung windows located adjacent to fire escapes; these windows will be replaced with new steel frame windows. In addition, the project will include removal and replacement of three patio doors that access the fourth floor balcony, and the installation of 257 university-furnished window air conditioners.

Hawkeye Area Recreation Fields

\$872,000

Source of Funds: Recreation Services Student Fees

Preliminary Budget

Construction	\$ 697,000
Design, Inspection and Administration	
Consultants	90,000
Architect/Engineering Services	15,300
Contingencies	<u>69,700</u>
 TOTAL	 <u>\$ 872,000</u>

University officials requested approval of a project description and budget to construct an outdoor recreation sports field complex in the Hawkeye Park area. The complex will be located north of Hawkeye Park Road and west of the Hawkeye Court Apartments.

This project was introduced to the Board during the university's Campus Master Plan presentation in December 1995. In 1992 RDG Bussard Dikis prepared a Sports and Recreation Facilities Long Range Master Plan for the university. This master plan was amended in January 1995 to address the growing need for student recreational space.

University officials proposed to support the construction costs with Recreation Services student fees with Treasurer's Temporary Investment funds to provide the needed bridge financing. The university plans to incrementally increase the amount of the tuition designated for recreational services (designated fee) over a three year period beginning in FY 1997. This would provide sufficient revenue to pay off the improvements in six years.

The proposed complex will consist of eight flag football fields, four multi-purpose medium-size fields, and one large multi-purpose field. The project will also include a building housing restrooms, equipment checkout and storage; an unpaved gravel parking lot for 250 cars; security lighting; site utilities and landscaping. The recreation complex would be maintained by the university's Department of Recreational Services.

The complex will include an automated irrigation system for the flag football fields and the multi-purpose recreation field. The irrigation system will enable the university to manage more economically the turf grass to provide safe and dependable playing surfaces. Automating the system will allow nighttime scheduling of field irrigation which will maximize available daytime use of the complex. The flag football fields will have field lighting which will extend the available playing time.

Hospital Parking Ramp No. 2--Remodel Offices, \$770,000
Provide Campus Access and Lobby Area

Preliminary Budget

Construction	\$ 607,200
Design, Inspection and Administration	
Consultants	72,400
Architect/Engineering Services	29,100
Contingencies	<u>61,300</u>
 TOTAL	 <u>\$ 770,000</u>

Source of Funds:	
Parking Improvement and Replacement Funds	\$ 434,000
Univ. Hospitals and Clinics Building Usage Funds	<u>336,000</u>
TOTAL	<u>\$ 770,000</u>

University officials requested approval of a project description and budget for improvements to Hospital Parking Ramp No. 2. Included is the development of an office area for Parking Services. The project will provide a bus lobby area to serve Hospital visitors and construct a new bus stop in the area south of the building.

The office portion of the work will encompass approximately 3,800 square feet and will consolidate a portion of the parking administration and services for west campus customers. The work will include construction of two new restrooms and locker areas, two private offices, and an open office area sufficient to house nine work stations. The entire area will receive paint, carpet, a lay-in ceiling and appropriate HVAC and electrical service.

Installation of Emergency Generator Set to Serve Carver Pavilion \$550,000
Source of Funds: University Hospital Building Usage Funds

Preliminary Budget

Construction	\$ 440,000
Architectural and Engineering Support	44,000
Planning and Supervision	22,000
Contingency	<u>44,000</u>
TOTAL	<u>\$ 550,000</u>

University officials requested approval of a project description and budget to install a 1,500 kw replacement generator set for Carver Pavilion. The project will include the relocation of the existing 900 kw generator set from the Carver Pavilion to the Pappajohn Pavilion.

The requirement for emergency power in Carver Pavilion has grown to a level that necessitates larger generator capacity to meet code requirements. The existing generator set is not capable of meeting this expanded power demand and there is no space available to install a second generator set in Carver Pavilion. The university has determined that it would be cost effective to transfer the existing generator set from Carver Pavilion to Pappajohn Pavilion to meet existing and future needs of the

Pappajohn facility. A new generator set would be installed in Carver Pavilion to meet the power demand of that facility.

<u>Calvin Hall--Replace Windows</u>	Original Budget <u>\$328,000</u>
Source of Funds: Building Renewal	Revised Budget
<u>\$356,000</u>	

Project Budget

	Original Budget <u>Dec. 1995</u>	Revised Budget <u>Feb. 1996</u>
Construction	\$ 278,900	\$ 320,600
Design, Inspection and Administration		
Consultants	1,700	1,700
Architectural/Engineering Services	19,100	19,100
Contingencies	<u>28,300</u>	<u>14,600</u>
TOTAL	<u>\$ 328,000</u>	<u>\$ 356,000</u>

University officials requested approval of a revised project budget in the amount of \$356,000, an increase of \$28,000, which will allow award of the construction contract. Three bids were received for this project on January 30, 1996. The low bid in the amount of \$293,314 exceeded the engineering estimate of \$252,300 by approximately 16.3 percent. The revised project budget will provide \$320,600 for construction to allow award of the contract to the low bidder in the amount of \$293,314.

* * * * *

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

* * * * *

ARCHITECT/ENGINEER AGREEMENTS

<u>Hawkeye Area Recreation Fields</u>	<u>\$83,500</u>
Shive-Hattery Engineers and Architects, Iowa City, Iowa	

University officials requested approval to enter into an agreement with Shive-Hattery Engineers and Architects to provide engineering and landscape architectural services. The agreement provides for a fee of \$83,500, including reimbursables.

University Hospitals and Clinics--Code Compliant Exit Passageway and Elevator Vestibule \$35,000
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 \$35,000, including reimbursables.

Schaeffer Hall Remodeling and Renewal--Exterior Repairs \$17,971
Shive-Hattery Engineers and Architects, Iowa City, Iowa

University officials requested approval to enter into an agreement with Shive-Hattery Engineers and Architects to provide design services for exterior repairs to the building. The exterior repairs include cleaning, partial repointing and repair of stone surfaces, joints and cracks. In addition, the roof over the east entrance portico will be replaced and new flashing added above the cornice line. The total cost for the exterior repairs is estimated at \$198,000 and will not require an increase in the project budget.

The agreement provides for a fee of \$17,971, including reimbursables.

Library Area Master Plan--North Pedestrian Walkway and South Plaza Developments \$16,930
Shive-Hattery Engineers and Architects, Iowa City, Iowa

University officials requested approval to enter into an agreement with Shive-Hattery Engineers and Architects to provide additional construction management services for the project. The agreement provides for a fee of \$16,930, including reimbursables.

Amendments:

Carver-Hawkeye Arena--Install Rigging Amendment #1 \$18,060
Donovan Rigging, Inc., Seattle, WA

University officials requested approval of Amendment #1 in the amount of \$18,060 to the agreement with Donovan Rigging for the installation of rigging in the Carver-Hawkeye Arena. The original agreement specified reimbursables as travel limited to coach fare and/or private vehicle and per diem not to exceed \$100 per day. The maximum amount for air and vehicle travel was not specified. Amendment #1 will provide for reimbursables

limited to \$10,700 to cover air fare expenses and per diem from Seattle, Washington, and private vehicle expenses and per diem from Milwaukee, Wisconsin. The amendment will also provide \$7,360 for the regeneration of a computer space frame analysis. The original structural design review was based on inaccurate documents provided by the university.

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

Kinnick Stadium--Press Box Improvements Amendment #5 \$6,165.28
RDG Bussard Dikis, Des Moines, Iowa

University officials requested approval of Amendment #5 in the amount of \$6,165.28 to the agreement with RDG Bussard Dikis for press box improvements at Kinnick Stadium. The amendment will provide for additional services from mechanical and structural consultants. Amendment No. 5 will not result in an increase in the total project budget.

Schaeffer Hall Remodeling and Renewal--Utilities Amendment #2 \$5,700
Shive-Hattery Engineers and Architects, Iowa City, Iowa

University officials requested approval of Amendment #2 in the amount of \$5,700 to the agreement with Shive-Hattery Engineers and Architects for utility connections to Schaeffer Hall. The amendment will provide for additional services to incorporate landscape and sidewalk replacements into the project. The amendment will also provide for the redesign of the chilled water service entrance to the building.

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

Campus Fiber Optic Network--Project 3 Amendment #3 \$1,750
Shive-Hattery Engineers and Architects, Iowa City, Iowa

University officials requested approval of Amendment No. 3 in the amount of \$1,750 to the agreement with Shive-Hattery Engineers and Architects. The amendment will provide for additional design services to include an exterior pathway extending to the State Historical Society building for connection to the fiber optic network.

Amendment No. 3 will not result in an increase in the total project budget.

Campus Fiber Optic Network--Project 4 \$16,215
Shive-Hattery Engineers and Architects, Iowa City, Iowa

University Hospitals and Clinics--South Pavilion Telecommunications \$4,707

Switchroom Development

Hansen Lind Meyer, Iowa City, Iowa

Campus Fiber Optic Network--Project 1--Entrance Facilities
Construction and Exterior Ductbank Route \$3,540

Shive-Hattery Engineers and Architects, Iowa City, Iowa

CONSTRUCTION CONTRACTS

Calvin Hall--Replace Windows \$293,314

Award to: Robinson Energy Efficient Windows, Baxter, Iowa
(3 bids received)

University officials requested approval for award of the construction contract to Robinson Energy Efficient Products, Baxter, Iowa, in the amount of \$293,314.

Macbride Hall--Replace Windows \$547,700

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

Campus Fiber Optic Network--Project 1, Contract 3--Entrance
Facilities Construction \$79,708

Award to: Gerard Electric, Inc., Iowa City, Iowa
(4 bids received)

Campus Fiber Optic Network--Project 4, Contract 1--Entrance
Facilities Construction \$70,640

Award to: Merit Electric, Ltd., Iowa City, Iowa
(2 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Kinnick Stadium Masonry Restoration--Phase 2

E & H Restoration, Inc., Davenport, Iowa

Quadrangle--Renovate Restrooms--Phase II--Asbestos Abatement

Curry Environmental Services, Inc., Milan, IL

Schaeffer Hall--Remolding and Renewal--Asbestos Abatement
Curry Environmental Services, Inc., Milan, IL

University Hospitals and Clinics--Shipping and Receiving Facility--Office and Mechanical/Electrical Systems Development
McComas-Lacina Construction Company, Iowa City, Iowa

Lower Finkbine--Resurface Track
Martin Surfacing, Inc., Hunt Valley, MD

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

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

University officials requested approval to renew a lease as lessor with Police Law Institute for its use of 1,504 square feet of business incubator space located in the Technology Innovation Center on the Oakdale Campus at the rate of \$1,504 per month (\$12 per square foot, \$18,048 per year), for a six-month period.

University officials sought approval of the following farm leases effective March 1, 1996, through February 28, 1997:

- With Tom Williams as operator for his use of 182.2 acres of farmland located in Johnson County, Iowa, (Hawkeye Farm) at the rate of \$80.58 per acre (\$14,681 per year);
- With Scott Ogden as operator for his use of 59.4 acres of farmland located in Johnson County, Iowa, (Oakdale Farm) at the rate of \$32.12 per acre (\$1,908 per year);
- With Richard Chapuis of Chapuis Farms, Ltd., as operator for his use of 77.6 acres of farmland located in Van Buren County, Iowa, at the rate of \$88.92 per acre (\$6,900 per year).

MOTION: Regent Dorr moved to approve the leases, as presented. Regent Tyrrell seconded the motion, and upon the roll being called, the following voted:

AYE: Dorr, Kennedy, Mahood, Newlin, Pellett,
Pomerantz, Smith, Tyrrell.
NAY: None.
ABSENT: Collins.

MOTION CARRIED.

SALE OF PROPERTY - GRAPHIC SERVICES BUILDING, CORALVILLE. The Board Office recommended the Board authorize the University of Iowa, subject to approval of the Executive Council of Iowa, to sell property located at 102 Second Avenue, Coralville, Iowa, at a price of \$688,000.

University of Iowa officials requested approval to sell property located at 102 Second Avenue, Coralville, Iowa, to Mr. Brian Ho of Coralville, Iowa, at a price of \$688,000. The property consists of a 41,700 square foot building located on a 49,250 square foot parcel of land.

The property was acquired by the university in 1968 to house the university's Department of Publications. The building was flooded in 1990 and 1993 and the majority of the building has been vacated with the relocation of the Printing Department to the former Thomas and Betts building, which was purchased by the university following Board approval in December 1993.

The facility still houses the University Hospitals Patient Transportation Facility, which utilizes approximately 10 percent of the building space.

Although the property is flood prone, it is located within an area of Coralville undergoing revitalization, and university believe it is in the university's its best interest to sell the property at this time.

The property was appraised in January 1995 at \$450,000 and \$530,000 by independent appraisers.

Only one bid was received although the university advertised the sale in a local newspaper and mailed proposal information to several parties who had expressed interest in purchasing the property.

Mr. Ho's proposal is to purchase the property on contract with a down payment of \$125,000, which includes \$34,400 submitted with his offer and \$90,600 to be submitted on or before the date of possession. The remaining balance of \$563,000 would be paid in monthly installments based upon a 20-year amortization period, with a five-year

balloon payment, at an annual interest rate of 8 percent. Title to the property would be transferred to Mr. Ho upon payment of the balance at the end of the five-year period.

Proceeds from the sale of the Coralville property will be applied to the purchase of the former Thomas and Betts building.

University officials anticipate leasing space from Mr. Ho for the Patient Transportation Facility.

The property sale was reviewed by the Attorney General's Office and was recommended for approval. Approval of the Executive Council is required for the property sale.

MOTION: Regent Newlin moved to authorize the University of Iowa, subject to approval of the Executive Council of Iowa, to sell property located at 102 Second Avenue, Coralville, Iowa, at a price of \$688,000. Regent Dorr seconded the motion, and upon the roll being called, the following voted:
AYE: Dorr, Kennedy, Mahood, Newlin, Pellett, Pomerantz, Smith, Tyrrell.
NAY: None.
ABSENT: Collins.

MOTION CARRIED.

PRELIMINARY RESOLUTION FOR THE SALE OF UP TO \$10,750,000 ACADEMIC BUILDING REVENUE REFUNDING BONDS, SERIES SUI 1996. The Board Office recommended that the Board adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$11,250,000 Academic Building Revenue Refunding Bonds, Series S.U.I. 1996.

It was anticipated that the refunding issue will have a principal amount of \$10,750,000. The amount of \$11,250,000 included in the bond resolution represented the maximum amount of the sale to allow for interest rate fluctuations.

The proceeds from the sale of these bonds will be used to refund bond principal in the amount of \$10,200,000 of the Board's Academic Building Revenue Bonds, Series S.U.I. 1990. Series S.U.I. 1990 academic building revenue bonds were issued in the amount of \$11,100,000 to defray the costs of constructing, equipping and improving the Advanced Technology laboratories and remodeling and renovating the International Center.

The bid opening and award are scheduled for Wednesday, March 20, 1996.

The net savings from the proposed refunding are estimated at \$877,243; between FY 1997 and FY 2013 tuition replacement needs will be reduced by this amount. On a present value basis the savings were estimated at \$590,356.

The proceeds from the sale of the bonds, net of issuance expenses, will be invested in U.S. Treasury Obligations to fund an escrow account.

The issue amount will be variable up to the acceptance of the winning bid because the amount of the bond proceeds required to fund the escrow account for the 1990 bonds will be dependent upon the actual yield of the new bonds and available investment yields.

The escrow deposit is greater than the outstanding principal because of issuance costs, accrued interest and the interest rate differential between the interest to be paid until the call date and the yield on the escrow securities (limited to the new bond yield).

MOTION:

Regent Dorr moved to adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$11,250,000 Academic Building Revenue Refunding Bonds, Series S.U.I. 1996. Regent Newlin seconded the motion, and upon the roll being called, the following voted:
AYE: Dorr, Kennedy, Mahood, Newlin, Pellett, Pomerantz, Smith, Tyrrell.
NAY: None.
ABSENT: Collins.

MOTION CARRIED.

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

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, February 21, 1996.

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

Register of Personnel Changes for January 1996 which included seven requests for early retirement.

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

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

PROJECT DESCRIPTIONS AND BUDGETS

Parking Lots 50A and 50B Improvements \$280,000
Source of Funds: Parking System Funds

	<u>Preliminary Budget</u>
Contracts	\$ 220,400
Design Services	37,500
Project Administration	8,400
University Services	3,000
Miscellaneous	1,000
Landscaping	3,000
Utility Extensions	1,200
Project Reserve	<u>5,500</u>

TOTAL \$ 280,000

University officials requested approval of a project description and budget to provide full depth patching and asphalt overlay to Parking Lots 50A and 50B which are located in the east part of campus. The lots provide parking for approximately 450 vehicles.

University officials plan to phase the work over the next two fiscal years as funding is available.

Curtiss Hall--Partial First Floor Remodeling \$376,000
Source of Funds: Agriculture Experiment Station

Preliminary Budget

Contracts	\$ 235,200
Demolition (Abatement)	15,000
Design Services	37,750
Project Administration	17,890
University Services	2,400
Miscellaneous	1,800
Movable Equipment	23,100
Building Automation	7,100
Telecommunications	5,900
Project Reserve	<u>29,860</u>

TOTAL \$ 376,000

University officials requested approval of a project description and budget to remodel approximately 3,516 square feet of space on the first floor of Curtiss Hall for the College of Agriculture's administrative area. The project will include the remodeling of a corridor into clerical office space to serve the college's administrative offices located within this portion of the building. An existing conference room and office area will be remodeled to provide larger conference space in the Dean's area. In addition, the building central air conditioning system will be extended into this portion of the building.

* * * * *

<u>Birch-Welch-Roberts Hall--Roof Replacement</u>	Sept. 1994 Budget
<u>\$280,000</u>	
Source of Funds: Dormitory System Surplus Funds	Revised Budget
<u>\$393,000</u>	

	<u>Project Budget</u>	
	<u>Sept. 1994 Budget</u>	<u>Revised Budget Feb. 1996</u>
Contracts	\$ 230,700	\$ 333,000
Design Services	35,500	35,500
Project Administration	2,800	4,000
Miscellaneous	1,000	1,500
Project Reserve	<u>10,000</u>	<u>19,000</u>
TOTAL	<u>\$ 280,000</u>	<u>\$ 393,000</u>

University officials requested approval of a revised project budget in the amount of \$393,000, an increase of \$113,000. The revised budget will allow the university to proceed with the initial phase of the project which will include reroofing, tuckpointing, window replacement and mechanical ventilation of the attic for the Roberts Hall section of the facility.

Bilsland Swine Breeding Farm--Renovate Facilities--Phase I
Source of Funds: Academic Building Revenue Bonds

<u>\$950,000</u>	Sept. 1995 Budget
	Revised Budget
<u>\$990,000</u>	

	<u>Project Budget</u>	
	<u>Sept. 1995 Budget</u>	<u>Revised Budget Feb. 1996</u>
Contracts	\$ 755,000	\$ 879,953
Design Services	75,000	36,640
Project Administration	26,000	19,850
University Services	0	5,000
Miscellaneous	1,000	10,000
Fixed Equipment	9,000	0

GENERAL
February 21, 1996

Movable Equipment	9,000	0
Project Reserve	<u>75,000</u>	<u>38,557</u>
TOTAL	<u>\$ 950,000</u>	<u>\$ 990,000</u>

University officials requested approval of a revised project budget in the amount of \$990,000, an increase of \$40,000, which will allow the university to proceed with work on all three buildings at the farm. The additional \$40,000 in bond funding will be reallocated from the project budget for the Beef Nutrition and Management Research Farm--Research Housing Renovation project.

Beef Nutrition and Management Research Farm--Research Housing Renovation
Source of Funds: Academic Building Revenue Bonds

<u>\$990,000</u>	Sept. 1995 Budget
<u>\$950,000</u>	Revised Budget

	<u>Project Budget</u>	
	<u>Sept. 1995 Budget</u>	<u>Revised Budget Feb. 1996</u>
Contracts	\$ 750,000	\$ 720,000
Design Services	75,000	55,000
Project Administration	25,000	19,250
University Services	0	50,000
Miscellaneous	1,000	3,000
Fixed Equipment	12,000	0
Movable Equipment	52,000	32,000
Project Reserve	<u>75,000</u>	<u>70,750</u>
TOTAL	<u>\$ 990,000</u>	<u>\$ 950,000</u>

University officials requested approval of a revised project budget in the amount of \$950,000, a decrease of \$40,000, which reflects the reallocation of bond funds to the Bilsland Swine Breeding Farm--Renovate Facilities--Phase I project. The revised budget will result in less funding for the purchase of equipment for the facility.

Curtiss Hall--Air Handling Unit
\$225,000

Oct. 1994 Budget

\$380,000

Revised Budget

Project Budget

	<u>Original Budget Oct. 1994</u>	<u>Revised Budget Feb. 1996</u>
Contracts	\$ 150,000	\$ 275,000
Design Services	25,500	26,800
Project Administration	4,950	15,400
University Services	1,500	3,000
Miscellaneous	1,000	1,000
Landscaping	1,500	3,000
Building Automation	25,000	25,000
Project Reserve	<u>15,550</u>	<u>30,800</u>
TOTAL	<u>\$ 225,000</u>	<u>\$ 380,000</u>

Source of Funds:

Academic Building Revenue Bonds	\$150,000	\$150,000
ISU Foundation	75,000	125,000
Building Repair Fund		15,000
General University Funds		30,000
Agriculture Experiment Station	<u> </u>	<u>60,000</u>
TOTAL	<u>\$225,000</u>	<u>\$380,000</u>

University officials requested approval of a revised project budget in the amount of \$380,000, an increase of \$155,000, which will allow the university to proceed with the project as originally planned.

* * * * *

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

ARCHITECT/ENGINEER AGREEMENTS

Animal Science Teaching Farm--Swine Facilities--Phase I \$50,000
Curry-Wille and Associates, Ames, Iowa

University officials requested approval to enter into an agreement with Curry-Wille and Associates, an agricultural engineering firm, to prepare the construction documents for the project. The Curry-Wille firm has created construction documents for several Agricultural Experiment Station livestock facilities around the United States.

The agreement provide for a fee of \$50,000, including reimbursables.

Seed Science Building Addition \$41,500
RDG Bussard Dikis, Des Moines, Iowa

University officials requested approval to enter into an agreement with RDG Bussard Dikis to provide design services for the project. The agreement provides for a fee of \$41,500, including reimbursables.

Utilities--Heating Plant--Chiller No. 4 \$34,500
Farris Engineering, West Des Moines, Iowa

University officials requested approval to enter into an agreement with Farris Engineering for the design of a new 13,800 volt electrical distribution feeder to the existing cooling tower. The agreement provides for a fee of \$34,500, including reimbursables.

Institutional Roads Projects--Special Maintenance 1996 \$33,000
Kirkham Michael Consulting Engineers, Des Moines, Iowa

University officials requested approval to enter into an agreement with Kirkham Michael Consulting Engineers to provide engineering services for the project. The agreement provides for a fee of \$33,000, including reimbursables.

Beef Nutrition and Management Research Farm--Research Housing \$10,000
Renovation
Curry-Wille and Associates, Ames, Iowa

University officials requested approval to enter into an agreement with Curry-Wille and Associates to provide design services for the feed ingredients building, preparation of construction documents, and technical assistance through the bidding phase of the project. The agreement provides for a fee of \$10,000, including reimbursables.

Curtiss Hall--Partial First Floor Remodeling \$31,850
Savage-Ver Ploeg and Associates, West Des Moines, Iowa

University officials requested approval to enter into an agreement with Savage-Ver Ploeg and Associates to provide design services for the project. The agreement provides for a fee of \$31,850, including reimbursables.

Amendments:

Student Health Center \$4,380
Baldwin White Architects, Des Moines, Iowa

CONSTRUCTION CONTRACTS

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

Four bids were received for this project on December 7, 1995. All of the bids exceeded the engineering estimate by at least 41.3 percent. The bids also exceeded the project budget. In addition, only two of the bidders met the specified completion date of June 1, 1996.

On January 19, 1996, the Executive Director authorized the university to reject the bids and to award a negotiated contract to the low bidder, York International Corporation, for the Base Bid and deduct Alternate #1, which will provide for an October 1996 completion date. This award exceeded the engineering estimate by approximately 3.6 percent but is within the project budget.

Although the October completion date may cause the university's chilled water system capacity to be compromised during the 1996 cooling season, this award was recommended by the university since the long-term benefits of installing the York condenser and the ability to complete the work within the project budget would offset the risks associated with the probability of a prolonged summer heat wave.

West Campus--Construct Parking Lots
Manatt's, Inc., Ames, Iowa

FINAL REPORTS

Veterinary Medicine--Remodel Large Animal Housing Facilities \$764,126.00

Applied Science Center--Office Building \$1,135,860.19

MOTION: Regent Kennedy moved that the Register of Capital Improvement Business Transactions for Iowa State University be approved, as presented. Regent Mahood seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

University officials requested approval to enter into a lease as lessor with Global Reach Internet Productions for its use of 272 square feet of business incubator space located in the Iowa State Innovation System at the ISU Research Park at the rate of \$300 per month (\$13.24 per square foot, \$3,600 per year), for a six-month period.

University officials requested approval of an extension of the lease agreement as lessee with Southgate Square Partnership for the university's use of 2,308 square feet of space located at the Southgate Square Business Park, Ames, Iowa, to house the Iowa Energy Center, at the rate of \$2,404 per month (\$12.50 per square foot, \$28,848 per year), for a two-year period.

University officials requested approval of Amendment VIII to the Memorandum of Understanding with the Northwest Iowa Experimental Association which will extend the agreement for a ten-year period.

University officials requested approval of Amendment VI to the Memorandum of Understanding with the Northeast Iowa Agricultural Experimental Association which will extend the agreement for a ten-year period.

MOTION: Regent Dorr moved to approve leases and agreements, as presented. Regent Tyrrell seconded the motion, and upon the roll being called, the following voted:

AYE: Dorr, Kennedy, Mahood, Newlin, Pellett,
Pomerantz, Smith, Tyrrell.
NAY: None.
ABSENT: Collins.

MOTION CARRIED.

WOI RADIO LICENSE APPLICATION. The Board Office recommended the Board approve applications by Iowa State University for potential expansion of WOI Radio to Perry and Ottumwa.

Iowa State University officials sought Board approval of applications for WOI Radio that were filed with the Federal Communication Commission (FCC) during 1995 to meet application deadlines. Iowa State University officials inadvertently filed the applications without seeking prior Board approval.

Sites under consideration for expansion are in Ottumwa and Perry. Both applications were submitted to reserve the right of WOI Radio to be an applicant if the frequencies are awarded by the FCC at some time in the future.

Stations at the University of Iowa and the University of Northern Iowa were consulted and support Iowa State University's application for Ottumwa and Perry sites.

Costs associated with the establishment of these sites will be borne by grants from the Public Telecommunications Facilities Program and private donations. Financial support for operating budgets for each site would be funded by listener contributions.

If Iowa State University officials decide to proceed further with expansion opportunities, Board approval will be sought before further applications or procedures are undertaken.

MOTION: Regent Pellett moved to approve applications by Iowa State University for potential expansion of WOI Radio to Perry and Ottumwa. Regent Smith seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

President Jischke reported on an event that took place on campus last week. He said Professor Abdel-Aziz Fouad was named to the National Academy of Engineers, which

GENERAL
February 21, 1996

is the highest honor an engineer could ever receive in our country. He said it was a wonderful example of the quality of faculty in Iowa State University's College of Engineering.

Professor Fouad stated that he could not have reached this level of achievement without the environment provided by Iowa State University.

President Pomerantz expressed the Board's appreciation to Professor Fouad for achieving this tremendous level of academic excellence, and for what the achievement represents for Iowa State University, as well.

President Pomerantz then acknowledged that former Regent Betty Jean Furgerson was in the audience, noting that he had enjoyed working with her.

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday, February 21, 1996.

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

Register of Personnel Changes for January 1996.

MOTION: Regent Dorr moved to approve the university's personnel transactions, as presented. Regent Newlin 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, as presented.

APPROVAL OF PROGRAM STATEMENTS AND DESIGN DOCUMENTS

School of Music Classroom Building/Performing Arts Center

University officials presented the program statement and schematic design for Board approval. The facility as designed will consist of approximately 104,640 gross square feet of space (69,060 net square feet) and will include individual and ensemble practice and rehearsal rooms, classrooms, and related spaces; an electronic music teaching laboratory; faculty teaching studios and conductor offices; administrative offices; music and instrument storage areas; student lockers; a main performance hall with an audience chamber of 1,600 seats; and an organ recital room. The facility will also include supporting technical spaces.

Program Statement

The School of Music Classroom Building/Performing Arts Center will serve the needs of the School of Music, the total university and the northeast Iowa community. The new facility will provide instructional, rehearsal, practice and performance spaces.

The facility will improve the undergraduate and graduate programs of the University of Northern Iowa School of Music, which has the largest undergraduate music education program in the state. The school provides numerous opportunities for students to participate in individual and group instruction and performance. During a typical academic year over 3,500 student credit hours of music courses are taught in the general education area. The new facility will provide state-of-the-art practice, rehearsal and performance spaces. The building will provide state-of-the-art technology for use in classroom and individual instruction and enriched opportunities for student involvement and performance. In addition, the facility will provide space for pre-service and in-service training of music educators and will facilitate university outreach activities.

Schematic Design

The detailed schematic design was prepared by the project architects, Hammel Green and Abrahamson and Flinn Saito Anderson. The design team also includes Acoustic Dimensions of Mamaroneck, New York (acoustical consultants), Fisher/Dachs Associates, Inc., New York, New York (theatre consultants), Donnell Consultants Incorporated, Tampa, Florida, and Stecker-Harmsen, Ames, Iowa (cost consultants).

The School of Music Classroom Building/Performing Arts Center was designed to serve the multiple functions of providing teaching, classroom and rehearsal space, while at the same time providing a performing venue for students, faculty and the community. The facility is designed in such a way that it makes maximum use of shared space while allowing for simultaneous use of the facility for many functions.

The main performance hall was designed to accommodate the needs of the Waterloo/Cedar Falls Symphony and the University of Northern Iowa School of Music. It is designed so that it can accommodate varying audience sizes up to 1,600 seats. It will also be a multipurpose venue for touring Broadway shows, dance, opera, ballet and popular entertainment. Flexible elements, including two stage extensions, concert towers, concert ceiling, adjustable proscenium and adjustable sound absorption elements, will allow the hall to be transformed from a rehearsal space to a theatre to a concert hall.

In order to provide additional flexibility and to conserve energy when a larger space is not required, the large rehearsal room was designed to accommodate small

performance audiences of up to 300 people. The room will have a rehearsal lighting system, plus a concert and house lighting system for performances.

The facility will provide state-of-the-art acoustically designed spaces for practice, rehearsal and performance. The building will have a flexible design enabling maximum utilization of spaces at all times including zoned systems to minimize energy use.

The building will be located northwest of University Avenue between Ohio Street and Campus Drive. Due to its proximity to the existing music building, Russell Hall, the potential for high public visibility, and lowest anticipated site costs, this site was determined to be the best site among five sites which were analyzed during the 1995 pre-design and programming phases.

The exterior architectural character of the facility will be compatible with other university buildings while providing an architectural beacon to the greater community it will serve. The facility will be enclosed with the traditional red brick and limestone characteristic of the core area of the university campus.

The entrance and lobby area will be treated with large glass areas accented by architectural elements to conserve energy use. This area will highlight the activity and excitement taking place in the more opaque masses of the practice, rehearsal and performance spaces. The focal point of the interior lobby and circulation area will be a domed rotunda providing a central gathering space which can also be used for informal student and community performances or gatherings.

University officials do not anticipate the building design to change to any significant degree; therefore, they requested approval to waive further design reviews. Should significant design changes become necessary, university officials will request another opportunity to present the plans.

Director Mikkelsen thanked Regent Furgerson, who was present at this meeting, for serving on the original architectural selection committee for this project. He said he was especially excited about the unique nature of the facility. Many people have been involved in the project. The design will allow for maximum use of space.

Gary Reetz, architect for Hammell Green and Abrahamson, Inc., stated that he is a graduate of Iowa State University. This was his first opportunity to work for Iowa's state university system. He then provided a slide presentation and information concerning the sites analyzed and the specifics of the building project. He said one of the factors in choosing the site location was its proximity to Russell Hall, the existing music building. It also offered the lowest anticipated site costs. The site is along University Avenue. The new building will have a public as well as a campus identity. He discussed the

design philosophy. The building will be used for academic purposes during the day, at night and on weekends. It will contain a large rehearsal room with retractable seats. Structural and acoustical considerations were factors in choosing the materials. The rehearsal suite allows for isolation of the percussion area. The Waterloo-Cedar Falls Symphony will have administrative space in the building. The building will include classic 19th century performance hall space.

With regard to the skin of the building, Mr. Reetz said the selection was brick, inspired by the main campus, and Indiana limestone.

President Pomerantz asked if consideration had been given to any other skin material. Mr. Reetz responded that stucco had been considered; however, it was felt that brick and limestone was most appropriate on this campus.

President Pomerantz asked if it was too late to look at alternatives. Mr. Reetz responded that they could do so.

President Pomerantz stated that the building would be on campus for 100 or more years. It is a unique building. He asked for a review of alternate materials for the outside of the building.

Director Mikkelsen stated that a good deal of what was before the Board with regard to this building project had already been approved by the campus planning committee. He noted that the building is a milestone for northeast Iowa while at the same time being an integral part of the university campus.

President Pomerantz stated, in all deference to the planning committee, that the Board of Regents is the body which approves capital projects. He then questioned how much redesign effort would be required to respond to his request to review alternatives.

Mr. Mikkelsen stated that it could be done in a relatively short period of time.

Regent Dorr said he liked the idea of brick and limestone for the building skin. It builds on the current campus environment, a campus which he said has a very distinct environment.

Regent Pellett said she would support the building skin as proposed as long as the building makes a statement.

President Pomerantz asked whether the outside walls of the building were used for support. Mr. Reetz responded that the building uses mass for support of the main hall.

The building also relies on mass for its acoustical characteristics. He noted that reviewing alternatives for the building skin will impact the budget.

Regent Newlin asked for clarification of the original budget and the source of funds.

Vice President Conner stated that a subsequent contribution from private funds after the initial budget was approved increased the private funds to more than 50 percent of the project budget. "Financing" of \$120,000 in the original budget was moved to "contingency" in the revised budget since financing was no longer an issue.

Regent Newlin asked where the amount budgeted in the "furnishings" line item in the original budget was in the revised budget. Director Mikkelsen responded that it was transferred into the "construction" line.

President Pomerantz noted that there was still a need for financial assistance from the legislature to get this project finished.

PROJECT DESCRIPTIONS AND BUDGETS

School of Music Classroom Building/Performing Arts Center

	Original Budget	
<u>\$17,800,000</u>		
	Revised Budget	
<u>\$19,100,000</u>		
	<u>Project Budget</u>	
	Original Budget <u>April 1995</u>	Revised Budget <u>Feb. 1996</u>
Contracts/Purchase Orders	\$14,461,000	\$16,394,500
Consultant and Design Services	1,640,000	1,690,000
Furnishings and Equipment	1,000,000	0
Movable Furnishings	0	200,000
Art Work	89,000	95,500
Financing	120,000	0
Contingencies	<u>490,000</u>	<u>720,000</u>
TOTAL	<u>\$ 17,800,000</u>	<u>\$ 19,100,000</u>

Source of Funds:

GENERAL
February 21, 1996

Private Funds	\$ 10,000,000
76th General Assembly Capital Appropriations	2,000,000
Future Capital Appropriations	6,500,000
Institutional Funds	<u>600,000</u>
TOTAL	<u>\$ 19,100,000</u>

University officials requested approval of a revised project budget in the amount of \$19,100,000, an increase of \$1,300,000, for construction of the School of Music Classroom Building/Performing Arts Center.

University officials reported that the \$1,300,000 increase reflects an additional \$1,000,000 commitment of private funds. This gift is contingent upon an increase in the number of seats in the main performance hall; the increase was incorporated into the schematic design. The revised budget also included an additional \$300,000 for inflationary costs; this sum was included in the Board's FY 1997 capital request for this project.

The project budget approved in April 1995 in the amount of \$17,800,000 included funding from an unspecified amount of private funds and anticipated State appropriations.

* * * * *

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.

* * * * *

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

<u>UNI-Dome South Entrance</u> Whitney Builders, Cedar Falls, Iowa	<u>\$287,820.80</u>
---	---------------------

FINAL REPORTS

<u>Campanile Improvements</u>	<u>\$571,608.82</u>
<u>West Gym Exterior Waterproofing--Phase II</u>	<u>\$320,532.34</u>

MOTION: Regent Dorr moved to approve the university's capital register, subject to final approval of the skin on the School of Music Classroom Building/ Performing Arts Center. Regent Newlin seconded the motion. MOTION CARRIED UNANIMOUSLY.

PRELIMINARY RESOLUTION FOR THE SALE OF UP TO \$7,585,000 ACADEMIC BUILDING REVENUE REFUNDING BONDS, SERIES UNI 1996. The Board Office recommended that the Board adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$8,085,000 Academic Building Revenue Refunding Bonds, Series U.N.I. 1996.

It was anticipated that the refunding issue will have a principal amount of \$7,585,000. The amount of \$8,025,000 included in the bond resolution represented the maximum amount of the sale to allow for interest rate fluctuations.

The proceeds from the sale of these bonds will be used to refund bond principal in the amount of \$7,250,000 of the Board's Academic Building Revenue Bonds, Series U.N.I. 1988. Series U.N.I. 1988 academic building revenue bonds were issued in the amount of \$8,200,000 to defray the costs of constructing, improving and equipping a classroom and office building and remodeling and renovating Latham Hall.

The bid opening and award are scheduled for Wednesday, March 20, 1996.

The net savings from the refunding are estimated at \$1,164,665; between FY 1997 and FY 2013 tuition replacement needs will be reduced this amount. On a present value basis the savings are estimated at \$785,776.

The proceeds from the sale of the bonds, net of issuance expenses, will be invested in U.S. Treasury Obligations to fund an escrow account.

The issue amount will be variable up to the acceptance of the winning bid because the amount of the bond proceeds required to fund the escrow account for the 1988 bonds will be dependent upon the actual yield on the new bonds and available investment yields.

The escrow deposit is greater than the outstanding principal because of the call premium, issuance costs, accrued interest and the interest rate differential between the interest to be paid until the call date and the yield on the escrow securities (limited to the new bond yield).

MOTION: Regent Dorr moved to adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$8,085,000 Academic Building Revenue Refunding Bonds, Series U.N.I. 1996. Regent Newlin seconded the motion, and upon the roll being called, the following voted:
AYE: Dorr, Kennedy, Mahood, Newlin, Pellett, Pomerantz, Smith, Tyrrell.
NAY: None.
ABSENT: Collins.

IOWA SCHOOL FOR THE DEAF

The following business pertaining to Iowa School for the Deaf was transacted on Wednesday, February 21, 1996.

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

Register of Personnel Changes for January 1996.

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

REPORT ON DEPARTMENT OF EDUCATION COMPLIANCE MONITORING. The Board Office recommended the Board (1) receive the report on the Department of Education's compliance monitoring review of the Iowa School for the Deaf and (2) approve ISD policies on student health services and student medication administration developed to comply with citations issued by the Department of Education.

An agreement between the Board of Regents and the Iowa Department of Education provides for periodic visits by the Department of Education's Bureau of Special Education to review the Regent special schools for compliance with state and federal statutes and regulations regarding special education.

The most recent compliance review at the Iowa School for the Deaf took place on October 17, 1996. The last previous review occurred in spring 1992. This was the first compliance review since a major revision of the state's administrative rules of special education.

The review team found that Iowa School for the Deaf's attention and commitment to the IEP process over the last several years has led to a significant improvement in staff awareness of and compliance with federal and state regulations and rules. The compliance review team found numerous strengths in ISD's programs including the strong program between ISD and Lewis Central schools, excellent parent participation in students' Individualized Education Plan (IEP) process, and the high percentage of students who participate in their own IEP process.

The review team issued 7 citations for noncompliance with state and/or federal regulations and statutes. All were for minor procedural infractions and are being dealt with appropriately by Iowa School for the Deaf officials. Six of the citations are being dealt with internally at ISD through revisions of existing policies, the development of new required forms, or other administrative procedures.

One citation requires Board approval of new policies on special health services and student medication administration. The review team found that Iowa School for the Deaf's policies in these areas were incomplete according to state and/or federal standards and directed ISD to develop and implement policies that include all requirements.

The ISD Advisory Committee has reviewed and approved ISD's proposed responses to the citations. ISD officials will submit their proposed corrective actions to the Bureau of Special Education for approval.

Superintendent Johnson stated that Iowa School for the Deaf officials were very pleased with the review.

MOTION:

Regent Pellett moved to (1) receive the report on the Department of Education's compliance monitoring review of the Iowa School for the Deaf and (2) approve ISD policies on student health services and student medication administration developed to comply with citations issued by the Department of Education. Regent Kennedy seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

REVISIONS TO STUDENT HANDBOOK. The Board Office recommended the Board receive the report on revisions to the Iowa School for the Deaf's Parent/Student Handbook.

Iowa School for the Deaf officials presented revisions to its Parent/Student Handbook for the Board's review. The handbook was last presented to the Board in 1981.

New sections dealing with academic eligibility; vehicle policy; drugs, alcohol and tobacco; school attendance policy; and down slips, progress reports, and report cards were added.

Iowa School for the Deaf's child abuse reporting procedures, previously approved by the Board, were also added to the handbook.

The revised handbook was approved by the ISD Advisory Committee.

President Pomerantz noted that the Board Office was comfortable with the contents of the handbook. He stated that the Board would not take formal action to approve the handbook in order to allow institutional officials to make minor revisions to the handbook in the future without a need to return to the Board for approval.

ACTION: President Pomerantz stated the Board received the report on revisions to the Iowa School for the Deaf's Parent/Student Handbook, by general consent.

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

Dobson Circle and Bell Drive Intersection Reconstruction \$50,000
Source of Funds: 1996 Institutional Roads Funds

Preliminary Budget

Construction	\$ 44,000
Architectural/Engineering Services	<u>6,000</u>
TOTAL	\$ 50,000

Iowa School for the Deaf officials requested approval of a project description and budget for the reconstruction of the Dobson Circle/Bell Drive intersection. The project will include the installation of concrete cement and a pedestrian signaling device. The project is included in the 1996 Institutional Roads program which was approved by the Board in July 1995.

School officials also requested approval to enter into an agreement with HGM Associates, Council Bluffs, Iowa, to provide design services for the project. The agreement provides for a fee of \$6,000.

MOTION: Regent Dorr moved to approve the capital register, as presented. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

Regent Tyrrell stated that the Board members had received information concerning very significant awards and honors to be presented to the Iowa School for the Deaf during the month of June. He said the general public should know about the national recognition of quality and excellence of the Iowa School for the Deaf.

President Pomerantz stated that Regent Tyrrell had made a good point, and expressed the Board's congratulations.

MOTION CARRIED.

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

IOWA SCHOOL FOR THE DEAF

The following business pertaining to Iowa School for the Deaf was transacted on Wednesday, February 21, 1996.

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

Register of Personnel Changes for January 1996.

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

REPORT ON DEPARTMENT OF EDUCATION COMPLIANCE MONITORING. The Board Office recommended the Board (1) receive the report on the Department of Education's compliance monitoring review of the Iowa School for the Deaf and (2) approve ISD policies on student health services and student medication administration developed to comply with citations issued by the Department of Education.

An agreement between the Board of Regents and the Iowa Department of Education provides for periodic visits by the Department of Education's Bureau of Special Education to review the Regent special schools for compliance with state and federal statutes and regulations regarding special education.

The most recent compliance review at the Iowa School for the Deaf took place on October 17, 1996. The last previous review occurred in spring 1992. This was the first compliance review since a major revision of the state's administrative rules of special education.

The review team found that Iowa School for the Deaf's attention and commitment to the IEP process over the last several years has led to a significant improvement in staff awareness of and compliance with federal and state regulations and rules. The

compliance review team found numerous strengths in ISD's programs including the strong program between ISD and Lewis Central schools, excellent parent participation in students' Individualized Education Plan (IEP) process, and the high percentage of students who participate in their own IEP process.

The review team issued 7 citations for noncompliance with state and/or federal regulations and statutes. All were for minor procedural infractions and are being dealt with appropriately by Iowa School for the Deaf officials. Six of the citations are being dealt with internally at ISD through revisions of existing policies, the development of new required forms, or other administrative procedures.

One citation requires Board approval of new policies on special health services and student medication administration. The review team found that Iowa School for the Deaf's policies in these areas were incomplete according to state and/or federal standards and directed ISD to develop and implement policies that include all requirements.

The ISD Advisory Committee has reviewed and approved ISD's proposed responses to the citations. ISD officials will submit their proposed corrective actions to the Bureau of Special Education for approval.

Superintendent Johnson stated that Iowa School for the Deaf officials were very pleased with the review.

MOTION:

Regent Pellett moved to (1) receive the report on the Department of Education's compliance monitoring review of the Iowa School for the Deaf and (2) approve ISD policies on student health services and student medication administration developed to comply with citations issued by the Department of Education. Regent Kennedy seconded the motion. MOTION CARRIED UNANIMOUSLY.

REVISIONS TO STUDENT HANDBOOK. The Board Office recommended the Board receive the report on revisions to the Iowa School for the Deaf's Parent/Student Handbook.

Iowa School for the Deaf officials presented revisions to its Parent/Student Handbook for the Board's review. The handbook was last presented to the Board in 1981.

New sections dealing with academic eligibility; vehicle policy; drugs, alcohol and tobacco; school attendance policy; and down slips, progress reports, and report cards were added.

Iowa School for the Deaf's child abuse reporting procedures, previously approved by the Board, were also added to the handbook.

The revised handbook was approved by the ISD Advisory Committee.

President Pomerantz noted that the Board Office was comfortable with the contents of the handbook. He stated that the Board would not take formal action to approve the handbook in order to allow institutional officials to make minor revisions to the handbook in the future without a need to return to the Board for approval.

ACTION: President Pomerantz stated the Board received the report on revisions to the Iowa School for the Deaf's Parent/Student Handbook, by general consent.

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

Dobson Circle and Bell Drive Intersection Reconstruction \$50,000
Source of Funds: 1996 Institutional Roads Funds

<u>Preliminary Budget</u>	
Construction	\$ 44,000
Architectural/Engineering Services	<u>6,000</u>
TOTAL	\$ 50,000

Iowa School for the Deaf officials requested approval of a project description and budget for the reconstruction of the Dobson Circle/Bell Drive intersection. The project will include the installation of concrete cement and a pedestrian signaling device. The project is included in the 1996 Institutional Roads program which was approved by the Board in July 1995.

School officials also requested approval to enter into an agreement with HGM Associates, Council Bluffs, Iowa, to provide design services for the project. The agreement provides for a fee of \$6,000.

MOTION: Regent Dorr moved to approve the capital register, as presented. Regent Tyrrell seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

Regent Tyrrell stated that the Board members had received information concerning very significant awards and honors to be presented to the Iowa School for the Deaf during the month of June. He said the general public should know about the national recognition of quality and excellence of the Iowa School for the Deaf.

President Pomerantz stated that Regent Tyrrell had made a good point, and expressed the Board's congratulations.

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Wednesday, February 21, 1996.

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

Register of Personnel Changes for the period of December 17 through January 13, 1996.

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

REPORT ON DEPARTMENT OF EDUCATION COMPLIANCE MONITORING. The Board Office recommended the Board receive the report on the Department of Education's compliance monitoring review of the Iowa Braille and Sight Saving School.

The most recent compliance review at Iowa Braille and Sight Saving School took place on October 6, 1995. The last previous review occurred in spring 1992.

This was the first compliance review since a major revision of the state's administrative rules of special education.

The compliance review team found numerous strengths in IBSSS' programs including the emphasis on integration of IBSSS students into the Vinton community school system and the local community, knowledgeable, caring, and hard working staff, and the involvement of parents in the Individual Education Plan (IEP) process.

The review team issued 12 citations for noncompliance with state and/or federal regulations and statutes. All were for minor procedural infractions and are being dealt with appropriately by IBSSS officials.

In December the Board approved revised IBSSS policies on confidentiality, medication, and special health services that were part of IBSSS' compliance efforts.

The IBSSS Advisory Committee has been informed of the citations and will further review the school's proposed responses at its meeting on March 5, 1996.

IBSSS will submit their proposed corrective actions to the Bureau of Special Education for approval.

Superintendent Thurman asked that the Oversight Committee on the organizational audit include the Iowa Braille and Sight Saving School under the consultant's recommendation 13 regarding the development of formal performance measures.

Superintendent Thurman noted that in May a celebration will take place on campus in honor of the 75th anniversary of the American Foundation for the Blind. He said the foundation, which he called the "godchild of Helen Keller", was founded on the campus of the Iowa Braille and Sight Saving School.

ACTION: President Pomerantz stated the Board received the report on the Department of Education's compliance monitoring review of the Iowa Braille and Sight Saving School, by general consent.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended that the Iowa Braille and Sight Saving School Register of Capital Improvement Business Transactions be approved.

Iowa Braille and Sight Saving School officials presented the following revised project budget for Board approval.

Replacement of Telephone System

Original Budget \$80,000
Revised Budget \$100,000

<u>Source of Funds:</u>	<u>Original Budget Nov. 1995</u>	<u>Revised Budget Feb. 1996</u>
FY 1996 Capital Appropriation	\$ 45,000	\$ 45,000
Anticipated FY 1997 Capital Appropriation	35,000	0
FY 1996/FY 1997 Restricted and/or Operating Funds	0	55,000
TOTAL	<u>\$ 80,000</u>	<u>\$ 100,000</u>

School officials requested approval of a revised project budget in the amount of \$100,000, an increase of \$20,000, which reflected an increase in the project scope. In addition to removal and replacement of the existing system, the project will include upgrades to base phones, additional voice mail ports and hours, and installation of a fiber optic line to the Iowa Communications Network classroom. The project will also include installation of computer hubs and data cable in the outlying campus buildings to serve as the backbone for a school-wide computer network. The school is receiving technical advice from Iowa State University; bidding is being handled through the university.

The revised source of funds reflects the addition of restricted funds designated for technology projects such as the Iowa Communications Network. The school plans to utilize these funds unless operating funds are available to fund part of the cost increase.

MOTION: Regent Mahood moved that the Iowa Braille and Sight Saving School Register of Capital Improvement Business Transactions be approved, as presented. Regent Newlin seconded the motion. MOTION CARRIED UNANIMOUSLY.

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

GENERAL
February 21, 1996

ADJOURNMENT.

The meeting of the State Board of Regents adjourned at 2:54 p.m., on Wednesday, February 21, 1996.

R. Wayne Richey
Executive Director