

The State Board of Regents met on Wednesday, April 22, and Thursday, April 23, 1987, at the State University of Iowa. The following were in attendance:

	<u>April 22</u>	<u>April 23</u>
<u>Members of State Board of Regents</u>		
Mr. McDonald, President	All sessions	All sessions
Dr. Harris	All sessions	All sessions
Mrs. Anderson	All sessions	All sessions
Mr. Duchon	All sessions	All sessions
Mrs. Murphy	All sessions	All sessions
Mr. VanGilst	All sessions	All sessions
Mr. Greig	All sessions	All sessions
Mr. Tyler	All sessions	All sessions
Miss VanEkeren	All sessions	All sessions
<u>Office of the State Board of Regents</u>		
Executive Secretary Richey	All sessions	All sessions
Director Barak	All sessions	All sessions
Director True	All sessions	All sessions
Director Volm	All sessions	All sessions
Director Wright	All sessions	All sessions
Associate Director Runner	All sessions	All sessions
Associate Director Stanley	All sessions	All sessions
Assistant Director Peters	All sessions	All sessions
Minutes Secretary Briggie	All sessions	All sessions
<u>State University of Iowa</u>		
President Freedman	All sessions	
Vice President Ellis	All sessions	
Vice President Remington	All sessions	
Vice President Hubbard	All sessions	
Associate Vice President Small	All sessions	All sessions
Assistant to President Mears	All sessions	
Assistant to Vice President Davis	All sessions	All sessions
Director Bauer	All sessions	
<u>Iowa State University</u>		
President Eaton	All sessions	All sessions
Vice President Christensen	All sessions	All sessions
Vice President Madden	All sessions	All sessions
Vice President McCandless	All sessions	All sessions
Vice President Moore	All sessions	
Director Lendt	All sessions	All sessions
<u>University of Northern Iowa</u>		
President Curris	All sessions	All sessions
Provost Martin	All sessions	All sessions
Vice President Conner	All sessions	All sessions
Director Chilcott	All sessions	
Director Stinchfield	All sessions	
Assistant to President Voldseth	All sessions	
<u>Iowa School for the Deaf</u>		
Superintendent Giangreco	All sessions	All sessions
Business Manager Kuehnhold	All sessions	All sessions
<u>Iowa Braille and Sight Saving School</u>		
Acting Superintendent Young	All sessions	All sessions
Business Manager Berry	All sessions	All sessions

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday, April 22 and Thursday, April 23, 1987.

President McDonald welcomed newly-appointed Regents Fitzgibbon and Williams who were invited to attend this month's meeting as visitors. He stated they would find their tenure as Regents one of the most challenging jobs of their lives.

APPROVAL OF MINUTES. The minutes of the March 11-12, 1987, meeting were approved by general consent.

CONSENT DOCKET. The items on the consent docket appear in the appropriate sections of these minutes and were approved by general consent of the board.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a). Master of Philosophy Degree, University of Northern Iowa. The Board Office recommended (1) approval of the proposal for an M. Phil degree at the University of Northern Iowa, and (2) limit the initial use of the degree to persons with major interests in the fields of Educational Programs and Foundations, Communicative Disorders, English Language and Literature, Modern Languages, Art, Biology and History.

In November, the Board of Regents referred a request from the University of Northern Iowa to establish a Master of Philosophy (M. Phil) degree to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. The Interinstitutional Committee on Educational Coordination completed its report and recommended the degree for approval, although the recommendation was not unconditional. The Interinstitutional Committee on Educational Coordination raised concerns about the source of students, identification of research supervisors, the relatively low Graduate Record Exam (GRE) scores to be required of

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applicants, the ability of some departments not previously offering graduate degrees, and the implications for the University of Northern Iowa's mission.

The Board Office had some reservations about this proposed degree, also, but felt that on balance, the program's merits outweighed its disadvantages.

The Board Office reviewed the proposed program based upon the following criteria:

Cost. The university indicated the probable marginal increases in expenditures necessary to implement the program for the next three years would be approximately \$4,250-\$12,750 the first year, \$8,500-\$25,500 the second and \$8,500-\$34,000 the third year.

The Board Office felt it was difficult to predict the institution's capacity to acquire external funding for this program. If the proposed program can attract good students and the student-faculty collaboration can interest external funders, funding may not be a problem. Externally, the university would be competing for limited funding with well-established research programs. Internally, first priority for funding should be to support and improve existing degree programs (especially those at the undergraduate level).

Quality. The Board Office felt this degree was difficult to assess qualitatively due to its uniqueness and its potential to be offered in any discipline or field at University of Northern Iowa. There are also no accreditation standards for this degree to guide its qualitative assessment.

The Board Office recommended that the degree be initially offered only in the fields already offering graduate level programs at University of Northern Iowa and, specifically, seven of the eight identified by the Interinstitutional Committee. The program would, therefore, be offered in Educational Psychology and Foundations, Communicative Disorders, English Language and Literature, Modern Languages, Art, Biology and History, and not in Religion and Philosophy.

The proposal noted that the students would be well-prepared but doesn't explain how the students would become "well prepared" or when (i.e., before admission?). It was noted in the proposal that the applicant must have a 3.5 (GPA), a minimum score of 450 in the Advanced GRE (Graduate Record Exam) Test, a minimum score of 1500 on the GRE and references.

Need/Demand. The Board Office felt there did not appear to be a large demand for this program. No evidence was provided in the proposal to demonstrate either student demand for the degree or employer/graduate school interest in the graduates of such a degree program. The proposal was developed on the basis of faculty perception of need. The M. Phil degree would provide a unique means for well-prepared students to pursue a specialty for which the

conventional programs were less suitable according to the university's proposal. Apparently, there were some students at University of Northern Iowa who evidenced an interest in this program.

Centrality. The Interinstitutional Committee on Educational Coordination noted that this proposed research-oriented degree raised a question regarding the consistency with the University of Northern Iowa's mission. Faculty at University of Northern Iowa are expected to teach, to do research and to provide service as a part of their responsibilities.

Duplication. The Board Office felt this degree was unique both nationally and in Iowa. The other M. Phils offered in the United States have a different thrust than the research orientation of this degree.

The Board Office felt the University of Northern Iowa should be congratulated for proposing a degree that is unique. This proposed degree was unlike any degree in Iowa and in the United States and marked a bold attempt on the part of the university to find ways of serving its students that is essentially non-duplicative.

Vice President Remington stated the degree was one of the most reviewed and discussed proposals that had come before the board. He said it was an innovative program and was considered a step toward encouraging research and scholarship as well as encouraging interdisciplinary work. Students would be paired with individual faculty members. He stated the faculty members and the students would have an outlet they did not previously have.

In addressing concerns raised by the Interinstitutional Committee on Educational Coordination, Vice President Remington stated the committee had questions about the approval process, recruitment and identification of students and how they would be paired with individual faculty members. The University of Northern Iowa M. Phil was proposed as a unique degree that emphasized research rather than coursework. Vice President Remington stated the university would limit the number of areas of concentration, and any new areas of concentration must come before the board for specific approval. He stated the proposal had been broadly reviewed at both Iowa State University and the University of Iowa. He also noted the committee had substantial assurances the degree would not change the mission of University of Northern Iowa.

Regent Duchon asked that someone from the university speak about how this is not going to change the scope of research at the university. Vice President Martin responded that it was quite in keeping with the university's character and would fit nicely with the mission. They were proud of University of Northern Iowa's character and preferred not to change it. He stated they were pleased and proud to recommend the degree to the board. He said it was a novel but not unique program modeled after the British degree. It would be a small program offering very limited enrollment and would prepare a few good

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candidates at the Master's level. The program would emphasize individual attention and incorporate individual research interests of faculty members. He said admission to the program would be very selective with only one or two students at a given time, and the program should not be viewed as a consolation prize for potential Ph.D. candidates. He indicated they were willing to accept the restrictions with one minor exception. They would prefer to have the Philosophy and Religion Department included since a graduate degree was not currently offered. He said the degree was not a departmental degree but from the Graduate College. He said he felt the proposal was a fine example of educational ingenuity which exemplified graduate study and attention to individual studies.

Regent Duchen asked what the university's mission was in terms of research development. Vice President Martin stated the University of Northern Iowa was not a research university or primarily a graduate university. He said it was a comprehensive university with a few doctoral programs.

Regent Murphy stated even though the history of the M. Phil programs indicated they have not been successful, but she felt it should be given a try. She questioned the GRE requirement.

Director Barak stated the admission standards being proposed were very low for a Master's program, especially where there was not a structured program.

Vice President Martin asked Dr. Downey, Dean of the Graduate College, to respond. Dean Downey stated reference to other programs not being successful refers to the American M. Phil degree program. This is not an American degree program but was fashioned after the British M. Phil. He stated that at a minimum the admission standards would serve as an advice level and would be used in conjunction with other scores.

Regent Harris questioned why Dr. Barak stated this was a unique degree and University of Northern Iowa staff said it is not unique. Vice President Martin responded that no one else in the country offered this so in that respect it was unique.

Regent Harris referred to comments contained in the docket memorandum about equipment and asked how lack of research equipment in areas such as biology would affect the program?

Vice President Martin stated research grants would not come to areas where outstanding faculty and equipment were not there.

Regent Anderson asked whether the primary motive in offering this program was to enhance the ability of the faculty to carry out research?

Vice President Martin stated that was a consideration, but it was not the motive. The program would provide individual instruction for the graduate

student, new dollars to the university and research opportunities for the faculty member, all of which in turn would enhance economic development potential.

Regent Anderson asked how the University of Northern Iowa's M. Phil student would be distinguished from the M. Phil degrees of the other M. Phil programs that failed. Vice President Martin responded that the student may have to explain the degree when applying to another university for a Ph.D. program.

Regent Anderson asked about University of Northern Iowa's preference to include philosophy and religion and the board office recommendation not to include philosophy and religion.

Vice President Martin stated they do offer graduate courses but not a degree program. He felt there would be a very few students in the program in the Religion and Philosophy Department.

Director Barak stated one of the problems of a unique degree was that it was hard to look at in traditional ways. Usually when requests for new programs come to the Board of Regents, they were related to a specific area; and the program review questions may be responded to with specific information. All of the areas being suggested for the M.Phil. except Philosophy and Religion already were approved by the board to offer graduate degrees. Director Barak stated that excluding Philosophy and Religion Department from the degree program at this time would provide the Board Office an opportunity to review its capacity for graduate level work.

Ms. VanEkeren expressed concern for potentially rapid growth within this program; and, therefore, a professor's time would be taken away from the undergraduate students.

Vice President Martin stated the anticipated 18 students was a cumulative total.

President McDonald stated the Board Office recommended approval, and the assurances were there that faculty would be very stringent in the review of applications for the program.

MOTION: Regent Greig moved that the recommendation of the Board Office be approved. Regent Murphy seconded the motion.

AMENDMENT TO MOTION: Regent Harris asked to amend the motion to include philosophy and religion. Regent Greig agreed to Regent Harris' amendment.

Regent Anderson stated she would accept adding philosophy and religion after the appropriate review of the current graduate programs in order to meet the

concern of the Board Office. Regent Harris disagreed with the suggested revised restrictions.

VOTE ON THE MOTION AS AMENDED: Approved.

(b). State Extension and Continuing Education Council Report. The Board Office recommended (1) receive the report of the State Extension and Continuing Education Council, and (2) approve a revision to the Board of Regents Procedural Guide. Since Title I of the Higher Education Act of 1965 was no longer funded by the federal government, it was recommended that the responsibility of the Council to carry out Title I be eliminated from Section 1.09C(5) of the Procedural Guide.

This is an annual report of the State Extension and Continuing Education Council (SECEC). The Council operates under the provisions contained in Section 1.09 of the Regents Procedural Guide and reports through the Interinstitutional Committee on Educational Coordination. It is composed of two members from each of the universities nominated by their respective presidents and appointed by the Regents. The members serve terms of three years. The chairmanship of the council, which rotates annually, was held in 1985-86 by Virginia Hash, Associate Dean, University Continuing Education and Special Programs, University of Northern Iowa. President McDonald stated Associate Dean Hash and Dean Vaughan were both present. The report was accepted by the Interinstitutional Committee on Educational Coordination and is summarized as follows:

Credit and Non-Credit Programs. Credit and non-credit courses and programs were developed and delivered in response to the educational needs of a certain locale or population. The development of these offerings was provided by the universities to the extent that faculty and other resources were available. Combined registrations in credit courses in 1985-86 totaled 26,001 for a 12.1 percent increase over the previous year. Non-credit course registrations totaled 116,902 for 1985-86, representing a decrease of 14.4 percent from 1984-85.

Quad-Cities Graduate Studies Center. The Quad-Cities Graduate Studies Center, with administrative offices in Rock Island, is a consortium of nine institutions of higher education--four Iowa institutions (University of Iowa, Iowa State University, University of Northern Iowa, and Marycrest College) and five Illinois institutions (Bradley University, University of Illinois, Northern Illinois University, Western Illinois University, and Augustana College.)

A recent survey of Graduate Center students revealed that 52 percent of the 1985-86 students resided in Iowa. Since one reason for enrollment was that center students are place-bound, they would most likely pay Iowa taxes for years to come. The center draws from a wide geographic area, with one-fourth of the students traveling more than 40 miles to attend class each

week. Thus, the center serves a large section of east central Iowa. Operation of the center was funded jointly by the states of Iowa and Illinois. Payments from the two states for the last three years and the amounts requested by the Center for 1986-87 are:

	<u>1984-85</u>	<u>1985-86</u>	<u>1986-87</u>	<u>1987-88*</u>
Iowa	\$126,200	\$126,200	\$126,100	\$142,500
Illinois	\$126,100	\$135,000	\$135,000	\$142,500

* Requested by Quad-Cities Graduate Study Center Governing Board.

The State Extension report noted that, if the Study Center Board request was granted, the average increase over the four-year period would be 3.2 percent. The average increase in tuition generated at the Study Center for the three years completed was 9.4 percent, dramatically more than the proposed operations cost increase of 3.2 percent.

Regent Anderson asked whether the increase requested by the Quad-Cities Graduate Studies Center from \$135,000 to \$142,500 was currently in the budget at that figure. Dean Vaughan stated the budget was not yet finalized and felt it would be somewhat less than that.

Regent Anderson asked if the amount being requested for this year was known. Dean Vaughan responded he felt it would be about the same as requested last year which was \$126,000.

Regent Anderson indicated an on-going concern in that area because Iowa had 52 percent of students enrolled, and Illinois was already contributing more than Iowa.

Dean Vaughan stated that over the period of time the state of Iowa had been funding the center it had in excess of \$400,000 accumulated in a reserve. Therefore, the Iowa contribution was more than sufficient to meet the needs. He stated the center has grown substantially in terms of participating institutions and in a sense the program had become quasi self-supporting for the institutions involved other than the subsidy from the two states.

Bachelor of Liberal Studies. The Bachelor of Liberal Studies (BLS) is an external degree offered cooperatively by the Regent universities. It is designed to meet the needs of students who have started college but are unable to complete a degree as full-time, on-campus learners. Many credit options were available including correspondence, television, radio, off-campus and on-campus courses.

The BLS Staff Committee, which was created to study and recommend to the State Extension and Continuing Education Council those matters which affect

the growth and vitality of the BLS program, is composed of two voting members from each of the Regent universities. Policy issues pursued during the year included:

1. A recommendation to the SECEC that BLS Staff Committee meetings be reduced from two to four times a year (with additional meetings called as needed).
2. A study of the feasibility of providing free transcripts to BLS students attending other Regent universities.

Western Iowa Center. The Western Iowa Regents Center, in cooperation with the extension and continuing education divisions at the Regent universities, provides support and coordination of credit courses programming to six primary delivery sites in Southwest Iowa: Atlantic, Carroll, Council Bluffs, Creston, Denison, and Guthrie Center.

Western Iowa Center activities during 1985-86 focused on these objectives: (1) longer-term commitments to deliver programs (e.g., 3-5 years); (2) expansion of student personnel services; (3) increased marketing of the BLS program in western Iowa; (4) site support and facilitation for courses delivered by telebridge, video-tape, downlink; and (5) increased numbers of clientele served via existing courses through promotion and marketing efforts.

Regents Telebridge System. As in recent years, audioconferencing continued to be used by Regent universities for meetings, for the delivery of credit courses to off-campus students, and to facilitate non-credit conferences and programs. A total of 329 events were conducted during 1985-86 resulting in 540 hours of telebridge use. This represented an average monthly use of 45 hours for 27 events. Delivery of credit courses accounted for 302 hours of use and all other use totaled 238 hours. Total hours of telebridge operation, however, decreased by 20 percent during the year.

Recommendations. In the 1985-86 report as in recent years, the SECEC provided identical recommendations for incremental funding in priority order. These recommendations were under consideration by the Interinstitutional Committee on Educational Coordination and were not being recommended at this time.

The SECEC also discussed the implications of television on continuing education. The report noted that one of the potentially most dramatic future developments in continuing education could be the increase in the use of television for continuing education classes. [NOTE: The Regent institutions are required by a board-adopted policy to discuss new offerings with private colleges in an area prior to their being offered in the hope that such discussions would avoid unnecessary duplication.]

The SECEC concluded that while policy issues can be addressed by the three universities separately..."it is more appropriate that they be considered collectively. Therefore, the State Extension Council will continue to discuss the implications of the issues raised and work toward increased cooperation in the use of television in the delivery of continuing education classes and programs."

Relations with Other Educational Institutions. In order to develop articulation with other institutions of higher education in Iowa, the Iowa Coordinating Committee for Continuing Education was formed in 1969. The Coordinating Committee is composed of 19 persons. Six are members of the State Extension and Continuing Education Council of the Board of Regents, six are representatives of the Area Community Colleges, six are representatives of private colleges and universities, and one person represents the state's proprietary schools. In 1985-86, the following task forces of the Coordinating Committee were active: Media, Mandatory Continuing Education, and Experiential Learning. The Regent universities were represented on all the task forces.

The balance of the report provided specific information on the continuing education/extension programs for each of the Regent universities. The entire report is on file in the Board Office.

MOTION: Regent VanEkeren moved to receive the report of the State Extension and Continuing Education Council. Regent Greig seconded the motion, and it carried unanimously.

(c). Master of Fine Arts Degree in Comparative Literature, University of Iowa. The Board Office recommended approval of offering a Master of Fine Arts (MFA) degree with a major in Comparative Literature at the State University of Iowa.

In March the board received a request from the University of Iowa to authorize the offering of a Master of Fine Arts degree with a major in Comparative Literature. This request was routinely referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. The Interinstitutional Committee also recommended approval.

The University of Iowa was not proposing to establish a new degree program but only to retitle an existing program (the MFA in English) with an emphasis in translation. The proposal would also transfer responsibility for administration of the degree from the Department of English to the program in Comparative Literature.

Regent Harris asked about the MFA proposal made by the University of Northern Iowa.

Vice President Martin stated University of Northern Iowa withdrew that proposal after some very good discussion at the Interinstitutional Committee level. It was still pending as far as the department was concerned, but they do not see a compelling need for a new MFA in Art at the present time.

MOTION: Regent Harris moved approval of the recommendation to approve the offering of a Master of Fine Arts (MFA) degree with a major in Comparative Literature at the State University of Iowa. Regent Murphy seconded the motion, and it carried unanimously.

(d). Master of Computing Degree at Iowa State University. The Board Office recommended approval of the request for approval of a Master of Computing Degree at Iowa State University.

At the February meeting the board referred this request to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. The Interinstitutional Committee on Educational Coordination completed its review and recommended approval.

The purpose of the Master of Computing degree was to provide a professional program of training leading to a terminal graduate degree. It was directed toward the interests of both the industrial practitioner and other professionals, such as faculty in small colleges, who were seeking an opportunity to retool in the computer science discipline but were unable to return to the formal instructional setting. The program was intended to be viewed as a service to industry and colleges in the State of Iowa. The program would be administered by the Iowa State University Extension Service in cooperation with the Department of Computer Science. It was proposed that the lectures be telecast live to remote sites by means of the WOI-TV uplink facility.

The Board Office reviewed this proposal based on the usual criteria (i.e., cost, quality, need/demand, centrality, and duplication). With respect to the cost, the university indicated that \$354,000 would be needed the first three years of this program. The money would be used for faculty, graduate assistants, general and telecommunications expenses. This funding would be used to provide two courses the first year, four courses the second year and six courses the third year. The major costs would be for studio time, uplink use, and transponder rental. The source of revenue for supporting this program would be student fees. As proposed by the university, the fees would cover all expenses.

Since the university already successfully offers masters and doctoral programs in computer science and has experience in offering off-campus

graduate level programs (e.g., agriculture), there was relatively good assurance of a quality program.

The need/demand for the program was not very adequately demonstrated in the proposal. The university's response with respect to the estimates of enrollment made for this program was that they were based on "discussions with business and educational officials around the state." The university anticipated that persons employed in computing-related positions in business and industry, and private educational institutions throughout the state would have an interest in participating in this program because of its local availability. Fortunately, other sources of information indicate that interest in this program was strong.

The program was closely related to the mission of Iowa State University and was consistent with its role in providing extension courses.

There was some duplication with respect to the program. All three universities offer programs in computer science. The University of Northern Iowa offers a baccalaureate program in this area, while the State University of Iowa and Iowa State University both offer an M.S. and a Ph.D. in this field. The Board Office believed that this duplication was appropriate since there was a high demand by qualified students for programs in this field. In addition, the availability of such courses provided an important economic development advantage for the State of Iowa. With the mushrooming increase in the use of computers and computer-related technology, this duplication of course offerings seemed to be amply justified.

The proposed program was consistent with the general goals of the Iowa State University Extension Service for the economic development of the state and development of human resources.

Vice President Martin stated this program would be offered by live television of on-campus courses in normal classroom settings and televised to a remote site. He stated revenues from the tuition would cover and possibly exceed the cost of televising.

MOTION: Regent Greig moved approval of the Master of Computing Degree at Iowa State University. Regent Anderson seconded the motion, and it carried unanimously.

(e). Policy on Academic Program Termination and Reduced Admissions (Section 6.20, Regents Procedural Guide). The Board Office recommended approval of the proposed revision in the Policy on Academic Program Termination and Reduced Admissions. The policy revision was also approved by the Interinstitutional Committee on Educational Coordination.

At the March meeting of the Board of Regents, the board was apprised of a desire on the part of the Interinstitutional Committee on Educational Coordination to revise Section 6.20 of the Regents Procedural Guide which pertains to academic program termination and reduced admissions. The primary focus of the Interinstitutional Committee's concern was the requirement for reporting back to the board six months after the board had been informed that an institution wished to limit, suspend, or substantially reduce admission to a program. The committee felt that such a requirement posed an unrealistic restriction on the institution by reducing their flexibility to respond to changing circumstances.

Since the March meeting, the Board Office discussed this matter with the Interinstitutional Committee on Educational Coordination. The following proposed revision was presented on behalf of the committee and the Board Office to the board for its approval. (Old language has been lined through, new language is underlined)

6.20

**Policy on Academic Program Termination and
Reduced Admissions**

When an institution expresses a desire to terminate an academic program, it will present its plans to the Board of Regents for approval. If an institution wishes to limit, suspend, or substantially reduce admission to a program, it should provide that information to the board ~~and, six months later,~~ in advance of the implementation of the reduction, and report back to the board its intentions with respect to the program. If it has been decided to terminate the program, the institution will then request approval of its intention to terminate after the last student has completed the requirements of the program. The program will not be terminated until after the last student has completed the requirements of the program. If admissions are to be reopened, ~~no action by the board will be required.~~ board approval will be required. (February 20-21, 1980, pp. 387-388; November 18, 1981, pp. 273-274; September 19-20, 1984, p. 86)

¹The term "limit" in this policy refers to the formal restriction of admission to a program of a Regent university by establishing a numerical enrollment maximum. It does not include limits placed on admissions to graduate programs, the routine reduction in the number of classes or sections offered due to staffing problems, other changes in curriculum, prerequisite changes, or changes in grade point requirements for retention or graduation.

Director Barak stated that last month during the discussion on the Board Office recommendations on long-range planning the possibility of revising one

section of the policy on academic program termination which was raised by the Interinstitutional Committee. This proposed language overcomes the concerns of the committee and was recommended by the Board Office.

MOTION: Regent Anderson moved to approve the proposed revision in the Policy on Academic Program Termination and Reduced Admissions. Regent Duchen seconded the motion, and it carried unanimously.

(f). Graduate Major In Civil Engineering Materials (Master of Science and Doctor of Philosophy), Iowa State University. The Board Office recommended approval of the proposed graduate major in Civil Engineering Materials at the M.S. and Ph.D. levels at Iowa State University.

In February, Iowa State University proposed a graduate major in Civil Engineering Materials at the masters and doctoral levels. The Interinstitutional Committee on Educational Coordination completed its review and also recommended approval.

This proposed major addressed the basic and applied aspects of materials involved in civil engineering practice. Primary emphasis would be placed on characterization and use of materials such as cements, concretes, mortars, masonry, aggregates, rocks, clay materials, bituminous materials, limes, and fly ash.

Centrality. The proposed program was central to the mission of Iowa State University. In part, the ISU mission statement indicates that "Principal emphasis will be given to the maintenance of strong programs in the sciences, agriculture, engineering, veterinary medicine, environmental design, education, and home economics with graduate instruction, research, extension and public service functions in these subject matter areas clearly recognized and generously supported."

Costs. The university indicated there would be no probable marginal increases in expenditures that would be necessary as a result of the adoption of these new programs. They also indicated that funds from grants and contracts would be used to expand capabilities and activities of the program.

Need/Demand. The university estimated there would be a range of students enrolled in this program from six the first year to twelve in five years. These estimates were made on the basis of the number of graduate students enrolled during the past five years whose theses were oriented toward Civil Engineering Materials. Qualified graduate students would be recruited from ISU and other recognized institutions. Students with a B.S. in Civil Engineering, Chemical Engineering, Engineering Science and Mechanics, Geology, and Agricultural Engineering may be qualified to pursue graduate work in this field. Employment opportunities in this field appear to be

strong, both on the basis of the university's documentation and references to projections from the U.S. Department of Labor.

Duplication. The University of Iowa offers the bachelors, masters, and Ph.D. in Chemical and Materials Engineering and offers the same degrees in Civil and Environmental Engineering. The Interinstitutional Committee on Educational Coordination's recommendation did not mention the question of duplication. Iowa State University's proposal indicated that there was no duplication. In response to concerns raised by the Board Office, Iowa State University provided additional information.

Quality. It was evident from the materials submitted by Iowa State University in its original proposal and in supplemental materials requested by the Board Office, that the university had great strength in the "Materials" area. The faculty involved were already offering graduate level programs and the courses in the "Materials" area have been in place and have been taught for several years.

Long-Range Planning. The 1986-91 Long-Range Plan for Iowa State University does not mention, in the College of Engineering section, this proposed program as an area in which changes were anticipated. The university indicated that the primary reason for this was that the idea was just suggested by the newly-appointed chair of Civil Engineering in the fall of 1985. The timing of the proposal was such that it was too late to be incorporated into the five-year plan.

Vice President Remington stated the report was self-explanatory. He stated as far as program duplication, the university submitted the proposal to their Department of Engineering; and the department had no problem with the creation of this program.

MOTION: Regent Harris moved approval of the proposed graduate major in Civil Engineering Materials at the M.S. and Ph.D. levels at Iowa State University. Regent Murphy seconded the motion, and it carried unanimously.

(q). Doctor of Philosophy Degree in Industrial Engineering, Iowa State University. The Board Office recommended approval of the request for a Doctor of Philosophy Degree in Industrial Engineering at Iowa State University.

In February, Iowa State University requested approval for a Doctor of Philosophy Degree major in Industrial Engineering. This request was referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. The Interinstitutional Committee on Educational Coordination completed its review and also recommended approval.

As noted in the Interinstitutional Committee on Educational Coordination's recommendation, the proposal was in part a relabeling of degree activities currently in place within the Department of Industrial Engineering at Iowa State University. The following is a summary of the proposal review based upon Board of Regents criteria.

Quality. There are no specific accreditation standards for doctoral programs in this field. The proposed program is consistent with the general guidelines for graduate programs in engineering and with the requirements of the Graduate School at Iowa State University.

Need/Demand. Originally the Board Office staff were somewhat unclear as to the numbers provided by the university as projected majors for this program. The response to the Regents questions indicated that there will be 85 to 90 students enrolled in this program during the first five years. Director Barak stated that since the preparation of the docket memorandum the university indicated the correct number would be 35 or 36. The U. S. Department of Labor has adequately documented the need for additional persons trained in this field. It appeared that abundant employment prospects would be available for graduates of this program.

Cost. The university indicated there would be no marginal increases in expenditure as a result of the adoption of this program since the program was already in place as are the faculty and resources.

Duplication. The only area in which the Board Office might have serious concerns regarding the program is that of potential unnecessary duplication. The University of Iowa also offers a Doctor of Philosophy degree in Industrial Engineering. This duplication can be justified in two ways. First, the demand for graduates in this discipline from all levels including the Ph.D. exceeded the national supply and would continue to do so for some time. Secondly, there was also some potential for enhancing economic development in the State of Iowa as a result of this program.

Centrality. The proposed program was central to the mission of Iowa State University. In part, the ISU mission statement indicated that "Principal emphasis will be given to the maintenance of strong programs in the sciences, agriculture, engineering, veterinary medicine, environmental design, education, and home economics with graduate instruction, research, extension and public service functions in these subject matter areas clearly recognized and generously supported."

Vice President Remington stated Iowa State University's Department of Industrial Engineering felt a title was needed that would be somewhat clearer for the mainline engineering graduates. He stated that, while there could be some recasting, faculty and administration have no objections to the new degree and felt it should be approved.

MOTION: Regent Anderson moved approval of the request for a Doctor of Philosophy Degree in Industrial Engineering at Iowa State University. Regent Greig seconded the motion, and it carried unanimously.

(h). Joint Master of Science Degree with a Major in Operations Research, Iowa State University. The Board Office recommended approval of the Joint Master of Science Degree, Major in Operations Research, Iowa State University.

At the February board meeting Iowa State University proposed a Joint Master of Science degree with a major in Operations Research. This request was referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. The Interinstitutional Committee on Educational Coordination completed its review and also recommended approval.

The following is a summary of the program review based upon Board of Regents criteria.

Cost. It would not be necessary for Iowa State University to have any marginal increases in expenditures as a result of the adoption of this program. While no explanation for this was provided in the response to the Regents Program Review Questions, Board Office discussion with the university personnel resulted in a statement that "no new costs are necessary due to the previous existence of this program." In addition, all of the courses and resources necessary for offering this joint major were already in place. No additional resources were requested.

Centrality. The proposed program is central to the mission of Iowa State University. In part, the ISU mission statement indicated that "Principal emphasis will be given to the maintenance of strong programs in the sciences, agriculture, engineering, veterinary medicine, environmental design, education, and home economics with graduate instruction, research, extension and public service functions in these subject matter areas clearly recognized and generously supported."

Need/Demand. The university did not conduct a needs assessment regarding the potential need and demand for this program. Information obtained by the Board Office from the U. S. Department of Labor indicated that employment prospects in this field were better than average, with opportunities in both government and private enterprise.

Quality. There are no accreditation standards for this program. The proposed masters degree does meet the general standards outlined by the Council of Graduate Schools in the United States. The faculty who would be

teaching in this joint major have already been teaching in this area since the mid-70s. They are experienced faculty in the instruction of graduate programs and appear to be academically qualified.

The development of this program was not specifically mentioned in the Long-Range Plan. The Long-Range Plan does mention a proposed Ph.D. in Operations Research. The Board Office was told by university officials that the mention of the Ph.D. in Operations Research was an error and that only a masters degree was being considered.

Duplication. The only other program that we could identify in this general area was the one approved last fall for the University of Iowa. The University of Iowa program is a Master of Science degree with a major in Quality Management and Productivity. As a part of this major, students are required to take academic work in the area of Operations Research. It appeared that the duplication between the proposed program and the SUI program was minimal. In addition, there did appear to be adequate demand for graduates of the program and clear implications for economic development in the State of Iowa.

Vice President Remington stated this joint Master of Science degree was an interdisciplinary program by the Departments of Industrial Engineering and Statistics.

Regent Duchen asked why all the requests for new degree programs which were presented to the Board at this meeting stated there were to be no material increases in costs. He stated that, in order to have quality programs, costs such as overhead, at least, would be involved.

Vice President Christensen stated the board's desire had always been to be informed of potential additional costs whenever requests for new degree programs were presented. He stated most of the requests presented at this meeting involved a reorganization and restructuring of what was already offered at the universities. In a number of these instances, it was relabeling/repackaging the work of people currently on staff. He stated there was nothing new about the field of operations research at Iowa State University and the University of Iowa. The committee felt this was an important program because it encouraged interdisciplinary cooperation.

Vice President Remington stated the problem was whether the current costs were counted or the net marginal costs. He stated they tend to take the latter in reporting any increase in costs.

MOTION:

Regent Duchen moved approval of the Joint Master of Science Degree, Major in Operations Research at Iowa State University. Regent Tyler seconded the motion, and it carried unanimously.

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ACCREDITATION OF MASTER OF ARTS IN LIBRARY SCIENCE, UNIVERSITY OF IOWA. The Board Office recommended receiving the report on accreditation of the program leading to the degree of Master of Arts offered by the School of Library and Information Science of the University of Iowa.

The University of Iowa was notified in January that its program leading to the degree of Master of Arts offered by the School of Library and Information Science was approved for accreditation by the American Library Association. This program has been accredited by the American Library Association since 1971. The report was a very positive one reflecting the strong program in this area at the University of Iowa.

MOTION: Regent VanGilst moved to receive the report on accreditation of the program leading to the degree of Master of Arts in Library Science offered by the University of Iowa. Regent VanEkeren seconded the motion, and it carried unanimously.

REPORT ON SECOND SEMESTER ENROLLMENTS AT REGENT UNIVERSITIES. The Board Office recommended receiving the report on Spring 1987 enrollments. Highlights of the report include (1) total spring enrollment at Regent universities declined 0.6 percent from enrollment reported in spring 1986. This is the first time in the last five years that a decrease had been noted in total spring enrollment from that reported the previous year; (2) of the three universities, only the University of Northern Iowa reported an increase in enrollment in Spring 1987 over Spring 1986; (3) spring enrollments increased at Iowa State University from 1982 through 1986. This year a decrease of 0.7 percent was reported; and (4) enrollment at the University of Iowa has decreased or remained the same spring semester to spring semester since its high enrollment in 1984. Enrollment declined 1.1 percent this spring over enrollment in spring 1986.

Director Barak stated this was the first time the board had been provided with enrollment reports in the spring. He noted that usually there was decline can be seen from fall enrollments to spring enrollments. He stated it was unusual this year to see that enrollments have declined at all three universities over previous spring enrollments. He stated the report provided an on-going review of enrollments at the three universities.

Regent Harris stated he thought the tuition was too high and students were running out of money by the spring semester. Director Barak responded that they had not really looked at the reasons for the decline.

Regent Harris asked to be provided with information indicating the effect tuition increases have on enrollments at the three universities before the board considers another tuition increase.

MOTION: Regent Tyler moved to receive the report on second semester enrollments at the three Regents universities. Regent Greig seconded the motion, and it carried unanimously.

REPORT ON MEETING OF IOWA COORDINATING COUNCIL. The Board Office recommended receiving the report of the April meeting of the Iowa Coordinating Council for Post-High School Education.

Regent Anderson stated she was present at the April meeting of the Iowa Coordinating Council and found the report on the future of teacher education interesting. She stated the report may have some application for the faculty of the Regent institutions in the future. She stated she found it most interesting that there was a lot of disagreement on what direction teacher education is going.

Regent VanGilst stated he also attended the meeting and found the discussion on the standards for the future of education interesting.

MOTION: Regent Greig moved to receive the report on the April meeting of the Iowa Coordinating Council for Post-High School Education. Regent Harris seconded the motion, and it carried unanimously.

REPORT OF MEETING OF IOWA COLLEGE AID COMMISSION. The report of the meeting of the Iowa College Aid Commission was received as part of the consent docket.

Mr. Richey stated the meeting was fairly routine. In the report of the meeting he included some statistical information about the guaranteed student loan program and Iowa's situation relative to other states. He stated he also included information on the Iowa tuition medical loan program.

REPORT OF ASSOCIATION OF GOVERNING BOARDS NATIONAL CONFERENCE ON TRUSTEESHIP, NEW ORLEANS, LOUISIANA, MARCH 22-24, 1987. The Board Office recommended receiving the report of the Association of Governing Boards National Conference on Trusteeship.

Mr. Richey stated he found the most interesting remarks to be those of Dr. Frank Newman. He stated the remarks were relevant to the Iowa State Board of Regents; and, therefore, he included a rough transcript of Dr. Newman's address in the docket books.

Regent VanGilst stated he found it enlightening attending the roundtable discussions with other regents and discussing mutual problems. He encouraged other Regents to attend upcoming conferences.

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Regent Duchen stated that in glancing through the comments of Dr. Newman his personal reaction as a member of Iowa's State Board of Regents was to ask himself whether citizens really care today and whether they are as concerned about Regent universities as they were 10-15 years ago. He stated he hoped he was wrong, but he felt that the concern of the Governor's Office and General Assembly was not concentrated in the right direction.

President McDonald stated he continued to be impressed with the quality of the sessions and roundtables provided at these conferences. He stated he attended this conference and found it very interesting. He also stated that he and Regent VanGilst tried to attend different sessions.

ACTION: President McDonald stated the report was accepted by general consent.

REPORT ON BIG TEN GOVERNING BOARDS CONFERENCE TO BE HELD MAY 31-JUNE 1, UNIVERSITY OF MINNESOTA, MINNEAPOLIS, MINNESOTA. The Board Office recommended receiving the report and asked that regents indicate their intentions to participate. A copy of the conference agenda was provided to the regents.

The two leading conference speakers are Dr. Ernest Boyer, President of the Carnegie Foundation for the Advancement of Teaching, who will deliver the keynote address on "The Changing State of Academy", and Wayne Duke, Commissioner of the Big Ten Intercollegiate Athletic Conference, who will speak on athletic issues. Dr. Gary Levitz, Assistant to the Director for Special Projects at University of Iowa Hospitals and Clinics, will give a presentation on hospital issues.

President McDonald stated there will be a presentation by the University of Iowa Hospitals and Clinics. He also stated the Board Office needed to know the number of Regents attending and asked that information be provided to Mr. Richey during the meeting.

ACTION: President McDonald stated the report was received by general consent.

LEGISLATIVE REPORT, 1987 SESSION. The Board Office recommended receiving the report on legislative activities and to approve the recommended positions on bills being followed.

Director True stated there had been a number of changes in appropriation bills being followed by the Board Office since the last report to the Regents.

Supplemental appropriations for fiscal year 1987 in House File 355 have been approved by both the House and the Senate. This bill would appropriate

\$65,000 to the State Board of Regents for fiscal year 1987 for the Rural Concern Hotline at Iowa State University. It also would appropriate \$400,000 to the Board of Regents to be used by Iowa State University for the College of Veterinary Medicine. The bill stipulated that these funds may be carried over to fiscal year 1988. The Board's budget request for fiscal year 1988 had included a request for \$400,000 for the College of Veterinary Medicine to compensate for losses in contract tuition paid for students who are admitted under agreements with neighboring states. Nebraska is phasing out its contract agreement with Iowa State University with a resulting loss in revenue.

The supplemental appropriations bill for fiscal year 1987 included two new requirements concerning the purchase of equipment. The bill would require that all agencies and departments of government provide, as part of their annual appropriations request, a listing of planned equipment purchases in excess of \$100,000. It would further require that, for the Department of General Services and state agencies or departments which purchase equipment through the Department of General Services, any expenditures for equipment in excess of \$100,000 may be made only if within the department's budget approved by the General Assembly. The wording of the bill's restrictions on the Department of General Services appeared to extend those restrictions to all state agencies or departments for fiscal year 1988. Both of these requirements were objectionable and highly deleterious to the Regent institutions. They represented a clear infringement upon the Regents' governing authority and were a stumbling block to securing sponsored research grants. This language was inserted into a conference committee report without prior discussion in House or Senate Committees. Conference Committee reports cannot be amended. The Board Office, in consultation with the Board President and the universities, wrote the Governor requesting a line item veto of the objectionable restrictions.

Appropriations bills for fiscal year 1988 have been deferred while tax bills were under consideration by the legislature. An appropriations bill drafted by the House Education Appropriations Subcommittee also noted. It was expected that substantive action on the Regent appropriations would begin in the Senate. The Senate Education Appropriations Subcommittee was considering \$5.8 million in appropriations for the Board of Regents in addition to the Governor's recommendations. These additions are earmarked for improving educational quality, professional and scientific salaries, library automation, and the Iowa State University Fire Service Institute.

The Governor proposed a salary adjustment bill which would provide a total of \$19.5 million in salary adjustments for the Regents institutions in fiscal year 1988. This level of appropriations would fund the cost of merit staff salary increases, mandatory comparable worth increases (except for \$375,000 in fringe benefit increases left out of the initial request), a 4 percent increase in faculty salaries and a 3.5 percent increase in professional and scientific staff salaries. The Governor's appropriation recommendation for

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the Board of Regents included an additional \$2.3 million which would equal the cost of a 1 percent faculty pay increase.

In communicating this bill to members of the General Assembly, the Director of the Department of Management stated the following with regard to faculty salaries: "the Governor has recognized the critical needs of the Regents institutions in the areas of faculty quality and retention by recommending state funds which, when combined with tuition and agreed-upon reallocations, will assure an average faculty salary increase of 13 percent for fiscal year 1988."

For the Regent special school teachers, the Department of Management staff indicated it would work with the Board Office to accommodate, from the salary adjustment fund, a salary increase policy equivalent to that provided for public school teachers. The most notable provision would be assuring an \$18,000 minimum salary. Special school minimum salaries are now \$15,000. The Board Office estimated a cost of \$318,000 to create an \$18,000 minimum salary and to provide equity to other experienced teachers.

Increases in health insurance costs for next year could be significant. This is of concern to the Board Office and the institutions since the Governor's salary adjustment appropriation recommendation does not yet contain funds to offset health insurance cost increases.

This year the board was appropriated \$1.5 million in oil overcharge funds for energy conservation projects. These funds were made available as restitution to the states as the result of court judgments against oil companies. Additional oil overcharge appropriations would be made with one of the possible uses the partial funding of the \$10.1 million University of Northern Iowa boiler replacement project and other energy conservation measures.

The allocation of lottery revenues among the various accounts of the Iowa Plan Fund was considered in two bills. House File 652, from the House Committee on Economic Development, passed by the House. A bill identified as LSB 2746 from the House Appropriations Committee has been drafted but not introduced with a bill number. Each of these proposals would reduce the funds available for the Education and Agriculture Research and Development account from the \$12.5 million currently specified in the Code to \$8 million in fiscal year 1988. The Research and Development Grant Program administered by the Department of Economic Development is funded by this account.

The proposed lottery bills also recommend the allocation of \$825,000 to the Small Business Development Center program administered by Iowa State University. The bills delete the reference to business incubators as one of the areas of potential funding by the Department of Economic Development.

The General Assembly passed a resolution authorizing \$98.5 million in new Academic Building Revenue Bonding authority. The projects included the following:

State University of Iowa

Laser Laboratories	\$25,100,000
Fire and Environmental Safety Projects	500,000
Engineering Building Addition	1,500,000
Old Law Center Remodeling	4,325,000
Pharmacy Remodeling	400,000

Iowa State University

Molecular Biology Building - Planning	2,500,000
Fire and Environmental Safety Projects	500,000
Home Economics Building--Phase I	5,100,000
Agronomy Building Equipment	2,000,000
Animal Science, Outlying Research Centers--Planning	624,000
University Research Park Development	2,500,000
Veterinary Medicine Research Institute Production Laboratories	1,925,000
Electrical Interconnection with City of Ames	2,000,000
Molecular Biology Building--Construction	35,000,000
Meat Irradiation Facility	1,500,000

University of Northern Iowa

Latham Hall Remodeling	3,360,000
Fire and Environmental Safety Projects	450,000
Power Plant Addition	9,216,000

TOTAL

\$98,500,000

Director True stated the Governor vetoed the Academic Building Revenue Bonding resolution and reiterated his support for two of the projects, the Laser Laboratories and Molecular Biology Building projects totalling \$62.5 million. He stated that as of the morning of the meeting another bonding resolution had emerged from the Senate. He distributed copies of the resolution and stated it indicated the projects under consideration and added that the bonding resolution proposes \$75 million in projects and had passed the subcommittee at that amount. He stated the resolution was expected to move quickly. One of the provisions dealt with a 10 percent preference. If it was lawful, it would require 10 percent preference be given to Iowa contractors and subcontractors on bids for projects which has implications in terms of price and would affect competition.

Since the Governor's veto of a Board of Regents bonding resolution, there had been a good deal of discussion within the General Assembly about how to finance the board's capital priorities, but no consensus had yet formed. Consideration had been given to financing the \$10.1 million University of Northern Iowa boiler replacement project from appropriations over several years. This would be a satisfactory approach as long as assurances were given to the board that a commitment existed to appropriate the balance of the funds as the project costs were incurred through fiscal year 1990.

Director True stated a separate bill was developed regarding classified research.

Regent Anderson asked whether the bonding resolution included the prevailing wage provision. Director True stated it did not.

Mr. Richey responded that the resolution had been changed since the last report to the board. He stated the molecular biology project was funded at \$35 million rather than the request of \$37.5 million. The laser project had been cut from \$25 million to \$24.4 million. He stated there were a lot of differences in this proposal from what the Board of Regents requested. It also had some of the features that the Governor refused to sign in the previous resolution. There had not been an agreement reached on what could be approved.

Regent Anderson asked about the decrease in the amount for the molecular biology, laser buildings and whether the amounts had been negotiated with the universities or if they were just arbitrary figures.

Mr. Richey responded representatives of the universities were in the meetings where these figures were reached. He stated the liaisons were also in the meetings. He stated he had no knowledge that the universities agreed to the reduced figures, and he had not be consulted.

Regent Anderson asked how something could get into a bonding resolution for Regent universities that was not requested by the Board of Regents without some "back door" lobbying.

Mr. Richey stated that was a very good question, and he did not have an answer.

Regent Anderson stated this item raised serious question in regard to the governance, and it had to be resolved.

Mr. Richey responded that he heard one legislator had a keen interest in industrial education at Iowa State University.

Regent Anderson asked what had been the university's response.

Vice President Madden stated that to the best of his knowledge no one from Iowa State University had been pursuing this project. It had been on the ten-year capital list, and the legislature approved planning funds several years ago. He could assure the dean had not been lobbying for it. He said the facility does need renovation. He stated a particular legislator was interested in the project and had taken the initiative to move forward on it.

Regent Anderson stated a legislator has determined he will put a building project of \$2 million above the university's priorities and the Regents' priorities. Vice President Madden stated that was correct.

President McDonald stated it is disturbing to have things slip in that manner.

Regent Tyler stated he agreed with Regent Anderson that this issue certainly did have to do with governance. He said he recalled back in December when the board approved a capital priority list the point was made that everyone was going down the same path together. He said he thought everyone had agreed they would not deviate from those priorities. He said it was important that the Board Office determine if the agreement was being lived up to. He stated he was also concerned about the recent publicity about fire and safety deficiencies at the universities. He felt it should be pointed out that correction of fire and safety deficiencies at the universities had been the board's number one priority. He also stated in review of the minutes of the March 1987 board meeting he wanted to make it clear he had not agreed with the opposition of H.F. 529.

Regent VanGilst stated that a month ago he walked through the empty Agronomy building at Iowa State University. He said there was now \$1 million for equipment which was not enough. He said sometimes the legislators would add projects as a bargaining tool, and the universities should not fight it.

President McDonald stated he was realistic, but it was still disturbing that the legislature tried to supplant the judgment of the leaders of the institutions who better understood the needs and the judgment of the Board of Regents.

Regent Harris stated that, knowing the board's legislative liaisons, it never occurred to him that they would have had something to do with it. He stated the Regents must understand that legislators have the right to exercise what may be in the Regents' opinion poor judgment and that they can't stop this type of thing from happening. He stated it came up from time to time, but he would not be interested in fighting a battle over this. The process in the legislature would handle the issue if it is not a prudent move.

Mr. Richey stated there was concern about legislation which would require that requests for classified research go through the administrative rules process. He stated it was a very cumbersome and dangerous policy. He stated the implications of the universities having to submit notification of an upcoming research project to a state government unit like the Legislative Council was an unthinkable control of an academic aspect of the universities.

Regent Anderson stated that was, however, better than tying the classified research issue into the bonding resolution where the universities would be tied to the control for the life of the bonds.

Mr. Richey stated that it was better, but the real question was whether even that was acceptable. He suggested the board express concern to the legislature about this type of control. He said it would be very difficult to express concern to the Governor later when nothing had been said during the legislative process.

President Freedman stated he shared the concern but felt the resolution the board passed in February expressed those concerns. He said the purpose of the Board of Regents was to set academic policy and serve as a buffer between the universities and the political processes.

Mr. Richey suggested the board reemphasize that it had not changed its position so there was no implication that the board agreed to this process as a substitute.

President McDonald stated he appreciated President Freedman's comments which defined the purpose of the board very well.

President Eaton stated he agreed with President Freedman because they worked together on it and suggested that the board make an additional statement now to possibly avoid action that would diminish the impact of the resolution.

Regent Anderson suggested that a motion stating that in the spirit of their February resolution they oppose the bill on classified research may be in order.

President McDonald stated he thought the board had time to take that up again during this meeting. He asked members to think beyond the statement on record in February and take some action later in the meeting.

Regent Tyler asked Presidents Freedman and Eaton to come up with a resolution for the consideration of the board later in the meeting.

President Curris stated that, in regard to the bigger issue of the bonding issue, in December the board went on record in submitting a priority list for capital projects. He stated that now the bonding resolution deviated from the list. He asked if the position of the board was one of continued support for the priority list or if those priorities were no longer applicable.

Mr. Richey stated the implications were that some people were not supporting the board's priorities.

President Curris asked what instructions should now be given in regard to supporting this bonding resolution.

Mr. Richey stated there were three players--the Senate, the House and the Governor. He stated the House had a different idea than the Senate and the Governor probably had a different idea than that. He stated this bill was in real trouble because it had some of the same defects that the original one had. He stated he felt this bill would get some amendment in the House, and in the process there would be consultations with the Governor's staff so what comes out would be somewhat different. He stated he felt that for the board to express support for a given resolution at a specific time probably would not be productive to the final negotiations.

President McDonald stated the board certainly could not reject its own priority list.

Regent VanGilst asked whether the Governor had any input whatsoever into the list.

Mr. Richey responded that it was his understanding that the Governor had no input.

Regent Anderson stated one of the major ways this resolution and others have differed from the board's priorities was the full funding for the molecular biology building. She stated in a sense the board had to leave its priority list because of this.

Regent Anderson asked about funding the fire and safety deficiencies.

Mr. Richey stated the universities would have to use the general operating funds and fuel savings.

Vice President Madden stated there was no question that there were a number of critical fire and safety needs which were not necessarily accurately reflected in the recent publicity. There have been subsequent discussions with the fire marshall, and the buildings being occupied on the campus can be occupied for a period of time. He indicated he did not want the impression left that the buildings were as unsafe as the newspaper suggested. He stated they were using internal funds as much as possible to correct the deficiencies, and these projects were reported monthly in the capital register. He stated fuel savings could be used; but, in order to meet the debt service on the boiler bonds, a substantial amount of fuel savings were committed. Therefore, the university did not have the degree of flexibility that may be implied by reallocation. He stated when the university's environmental health and safety people identify needs those projects are undertaken. He said he did not believe there were any unsafe facilities being occupied although they may not be in total compliance with the fire code.

Vice President Ellis stated the situation was similar at the University of Iowa. They have maintained a list of problem areas the state fire marshall had identified, and they have set priorities and identified those areas which were most serious. He stated when there was significant danger to human safety they take care of the project right away if it was at all possible. He stated the largest project was the chemistry botany building, and they now have the funds to remodel that building. He stated the old buildings still on the list were not in compliance with the code, but it is not unreasonable to continue to occupy those buildings and continue the system of priorities and correct the deficiencies. He stated that without additional funds he did not feel they have the resources to completely remove all of the deficiencies without calling everything else at the university to a halt. He stated that as with Iowa State University they were being told to reallocate for so many different purposes that they were left without any other options.

Director True stated the universities have completed fire and safety projects since 1985 in the following amounts: State University of Iowa - \$10.8 million; Iowa State University - \$12.7 million; University of Northern Iowa - \$1.6 million.

Director True stated the salary adjustment bill would accommodate state salary policy for Fiscal Year 1988 and 1989. The Governor proposed a salary adjustment bill, and another bill was being taken up by the General Assembly for Fiscal Year 1988. The Governor's bill included \$19.5 million for salary adjustments for Fiscal Year 1988 and basically resulted in meeting the requirements of the collective bargaining agreements, 3.5 percent for

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professional and scientific and 4 percent for faculty. In addition, there was a \$2.3 million supplement in the bill beyond those percentages. It was the intent of the Governor's Office that this be directed to faculty salaries. He indicated the bill was expected to move very rapidly. He stated he should have a tentative summary available of the appropriations bill for the Board of Regents very soon. The intent of the subcommittee was to appropriate \$5.8 million beyond what the Governor recommended. A supplemental appropriations bill was moving right now and was on its way to the Governor. That bill would provide money for the current fiscal year for items such as medicaid payments. Two provisions in the bill pertain to the board including \$400,000 for the veterinary medicine college at Iowa State University to cover some of the losses from declining contract students available for this and next fiscal year. He stated another provision of the bill would place severe restrictions on the purchase of equipment over \$100,000 at Regent institutions. He stated this had been discussed with the universities, and a letter expressing concern had been sent to the Governor. It would prohibit the purchase of equipment unless it was specifically approved in a prior legislative session. Another provision would require prior reporting of anticipated equipment purchases to the legislature and general assembly. He stated there were frequently items purchased in excess of \$100,000 for research projects. The Board Office expressed serious reservations and recommended the Governor be asked to veto this bill.

Mr. Richey stated this bill was dangerous because by denying a piece of equipment research could be denied. He expressed deep concern about the universities' being able to pursue their research goals with such a restriction.

Vice President Ellis stated it was not clear that the section referred to purchases by the Regents. He said there was an ambiguity in that section and it would be prudent to have the section removed. He said he believed there was strong evidence that the intent was that it did not apply to the Board of Regents. The language in the second half did clearly apply to the Regents. The second section stated in September the Board of Regents shall notify the Department of Management and Legislative Fiscal Bureau of anticipated equipment purchases over \$100,000 in the following fiscal year. He stated that would be totally unworkable in any realistic sense. There was no way the University of Iowa could anticipate by September 1, 1987, what equipment it would be purchasing in fiscal year 1989 especially since much of this equipment was equipment which was evolving technologically. Moreover, a good deal of the University's equipment is purchased with federal grant funds which include time limits for the purchase of equipment - usually within twelve (12) months. He stated that anything the board could do to communicate to the Governor the severe handicap this would place on carrying out scientific research and patient care would be of assistance. He gave an example that no one knew at this time what would be needed for the laser facility assuming the laser facility was approved.

Regent Anderson asked if the bill would decrease the possibility of getting outside grants and whether the legislators were conscious of what they were

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doing to undermine the governance function of the Regents. She questioned whether it was a concerted effort to undermine or was just happening by chance. Mr. Richey stated he did not know, and the amendment came very unexpectedly.

Regent Harris stated the board should get to the leadership immediately and explain the problem as outlined. Mr. Richey stated the bill was on the Governor's desk, and efforts have been directed toward the Governor.

Director True stated the amendment came from a conference committee, and only the Governor could correct it now.

Mr. Richey stated the concerns of the board were expressed to the Governor after consultation with President McDonald.

Director True stated there were two related bills on telecommunications--S.F. 162 and S.F. 333. S.F. 162 would set up a public telecommunications corporation which would include Iowa Public Television. S.F. 333 sets state policy for providing telecommunications for education to public schools in the state. Both bills have passed the Senate and have passed the House State Government Committee. The bill creating the public corporation had been drastically amended by the House State Government Committee. Basically it brought Iowa Public Television back into state government and would limit participation on its board to one person from the Board of Regents. He stated the bills had been provided to the universities for examination in terms of their implications. The current thinking was that neither version would adversely affect WOI-TV. He noted comments concerning the possible effects on the continuing education function of the universities had not yet been received in the Board Office.

Regent Anderson asked where this puts the responsibility within state government structure. Director True stated it would become a part of the Department of Cultural Affairs.

Regent Anderson stated it gave very little representation to the Board of Regents on the board.

Mr. Richey stated it would give greater representation to the area community colleges and the area education agencies, and the Board of Education which is all basically the same organization. He said it was ironic that the Board of Regents was one of the agencies of state government to get public television started in this state.

Director True stated the board previously questioned the unequal representation; however, it appeared that would not be changed.

Mr. Richey stated there were so many changes along the way that the board would have liked to have had, and this is one it did not get.

Director True stated S.F. 160 would grant special school faculty compulsory arbitration in cases of termination and would require that notice be given for continuation of faculty contracts by March 15, which is long before the level of appropriation would be known. The Board Office expressed concerns and difficulties in this bill. Senator Hultman had been provided information and had filed a motion to reconsider in the Senate. If the motion to reconsider was dropped, this bill would go to the Governor within the next few days. He stated H.F. 499 was a major education reorganization bill. The bill includes some money for an \$18,000 minimum salary at the special schools. Currently the minimum was \$15,000. He said the Governor was willing to work with the Board of Regents to try to fund the \$18,000 minimum proposed in the public schools.

Director True stated the lottery appropriations were moving along. There was likely to be a reduction in the appropriation for research and development from the current \$12.5 million although far less was actually available. The amendment would reduce that appropriation to \$8 million. He stated there was an issue related to the latter regarding 3-M. 3-M approached the Governor and legislators about pursuing a project with Iowa State University for \$17.3 million for the development of silicon semi-conductors regarding converting light to energy in an efficient way. He stated 3-M was the main initiator of this project.

Vice President Moore stated the initiative for this began when the Governor visited 3-M in Minneapolis. He said there were three installations of 3-M in Iowa with over 1,000 employees. Two of the Minneapolis 3-M vice presidents met with the Governor and proposed that, because of the research at Iowa State University and 3-M's ability to glue things together, the research be conducted at Iowa State. 3-M's estimate was that the market would be \$3 billion in about 2-3 years and that if the Americans don't begin research and development soon the Japanese would seize the opportunity. He stated one application for the material was flight panel displays in airplanes. He stated there was no specific proposal right now to act on; but, when 3-M visited with the Governor, he was very interested. He stated 3-M submitted a proposal directly to the Governor and asked to make the same presentation to legislators. He stated representatives from Iowa State University were in attendance at all those meetings, and the Board Office had been kept informed.

Mr. Richey stated there were several issues. One was whether additional lottery funds would be tied to the Regent institutions because of this project, but the real question was what would this do to the Regents' future plans with respect to research and development projects financed by the lottery. He said there were implications which would affect the board's governance functions and fiscal flexibility.

President Eaton stated that when 3-M began the process with the visit to the Governor's office the money specifically being sought was oil rebate money since the proposal was related to energy conservation. He said if they had started out in the beginning making a call on lottery funds he would have been uneasy about participating.

Mr. Richey asked whether the board wanted to say it did not support the use of lottery funds for the project or at least express deep concern.

Regent Anderson asked how much funding was involved.

Vice President Moore stated 3-M's proposal was for a three-year program at a funding level of \$7.5 million from the state oil overcharge money. 3-M would match that with an equal amount of funds, and Iowa State University would match with a somewhat lesser amount. The total funding level would be \$15-20 million. 3-M would agree to manufacture and sell the product in Iowa which was considered a tremendous economic possibility.

Regent Anderson asked why it could not come from the oil overcharge funds. President Eaton responded that it was his understanding those funds were overcommitted.

Mr. Richey suggested that, at a minimum, the board express deep concern about it coming from lottery funds.

Regent Greig asked whether the state dare pass up something like this since Iowa State University had spent ten years on this type of research. He said he did not like to see it come from lottery funds but did not want to see a project of this magnitude dropped.

President McDonald stated he had real reservations about the proposal.

President Freedman asked if this were to go through, what would be the amount of lottery money committed to Iowa State University?

Mr. Richey responded there was about \$2 million total available per year so essentially Iowa State University would receive all the research and development money for three years.

Regent Anderson asked how much had been set aside each year for research and development and if the amount was set by statute.

Mr. Richey stated it was set by statute. The income into the research and development funds was different than what was set by statute because the income depended on lottery revenues. He said the estimated receipts were \$7 million per year, and essentially with agricultural biotechnology and the 3-M

project all at Iowa State University would utilize the lottery research and development money.

Regent Anderson asked if there was some way to reach the other lottery money.

Mr. Richey stated he felt the target was the \$7 million for research and development. He said he would like to see broadening of the research and development portion rather than taking the money from the university.

President Eaton asked that the project be considered under some other part of the lottery than research and development.

Mr. Richey stated that would be investigated.

President Curris expressed concern for universities engaging in contractual research with businesses and industrial concerns. He stated there appeared to be an element of exclusivity that 3-M wished to do significant research on a product they want to develop. He stated they were talking about new ground where specific types of research would be done, the results of which would be under the control of one firm and using state funds to do it. He said everyone wanted economic development but there was still a question when that development was tied to a specific business. He said from the standpoint of those in higher education he would like to have more study on this and not rush into a judgment that may be regretted in years to come.

President Eaton stated this was not something new or different in research. For example, the same lab that would do this work does non-classified research for the Air Force.

Mr. Richey stated it was basically just a matter of scope.

President Curris stated it was a matter of scope and source of funding which was the significant issue.

Regent Greig stated opportunities like those should not be passed up. Unfortunately, all the lottery dollars would be going to Iowa State University but maybe 3-4 years down the road it will be University of Iowa in the position of needing to use all the lottery funds for a project in the laser building.

President McDonald stated the consensus was that an attempt be made to get these funds from other than lottery funds committed to research and development. He stated the board had three liaisons in the legislature who could work on the question of the availability of additional lottery funds and ask that they do not invade the Regents research and development share of the lottery funds to fund this project.

Regent Duchen stated several Regents spoke earlier on fire prevention, and he added as part of the record that when the board thought in terms of the problems of fire on university property it was so easy to think in terms of the bricks and mortar. He said another dimension of hazard existed because of the changing times does not necessarily mean that the new duct work and chemicals being forced through the building or equipment were compatible with its designed usage. He stated he wished to get the point across to not just correct deficiencies by the bandaid method.

Each month's legislative report included a discussion of bills of particular interest to the Board of Regents. The Board Office, in consultation with the legislative liaisons and the institutions, monitored all the bills introduced. Those of interest to the Regents and the institutions were followed throughout the session.

Bills with new recommendations for a Regent position and others of particular interest are considered briefly in the following:

Senate File 148 (By Lloyd-Jones) Gender Balance (Monitor)

This bill, in its original form, concerned gender balance in the appointment and election of judicial nominating commissions. As amended by the House, it would revise the provisions on gender balance to apply to each appointive board. It would provide that no appointment be made which would cause the number of members of the board of one gender to be greater than one-half of the membership of the board plus one.

Senate File 370 (By Vande Hoef and Lloyd-Jones) Museum Property Act (Support)

This bill concerned museums and would provide for the disposition of loaned or undocumented property in the possession of a museum. The universities indicated that the bill had a positive benefit for the university museums. Support was recommended.

Senate File 501 (Hutchins and Hultman) State Government Organization and Procedures (Monitor; needs amendment)

This bill, initially designed as a state government reorganization "cleanup" bill, included a wide range of modifications in the organization and procedures of state government. A major concern for the Regents was a provision which would require all employees not covered by a collective bargaining agreement the right to appeal any decision from an agency to the State Director of Personnel and to the Public Employment Relations Board (PERB). It appeared that it was not the intent to extend this provision to all employees and that it

should apply only to merit system employees. An amendment to that effect was introduced.

Other provisions affecting the Regents included a change from biennial to annual reports and requirements that the Governor provide appointee to the Senate by March 1 rather than March 15 and that each appointment be identified as to both political affiliation and gender. The bill would reduce the Regents ex-officio nonvoting membership on the Iowa Economic Development Board from the three Regent university presidents to one Regents university president or the president's designee. The bill would create a new office for state-federal relations and would establish a state-federal relations commission to promote cooperation and information sharing among the agencies of the three branches of government.

The bill proposed a number of changes in the authority of the Executive Council and of elected officials and proposed several changes in the budget preparation process. It would move all agricultural marketing responsibilities to the Department of Agriculture and Land Stewardship.

The Board Office and the institutions would continue to analyze the potential effects of this bill, and its progress would be monitored closely by the Board Office and the legislative liaisons.

House File 346 (By Committee on State Government) Issuance of Temporary Certificates by the Board of Medical Examiners (Support)

This bill would allow the Board of Medical Examiners to exercise discretion in determining the length of temporary certification periods for the practice of medicine and surgery or osteopathic medicine and surgery. The University of Iowa indicated that this could help with the temporary licensure of visiting professors. The bill passed both the House and the Senate.

House File 460 (By Siegrist and Pavich) Conditions of Contractual Agreements Applicable to the Certificated Employees of the Iowa School for the Deaf and the Iowa Braille and Sight Saving School (Oppose)

This bill would require the special school faculty to be governed by the continuing contract law of Chapter 279, Code of Iowa. It would make it necessary to establish faculty contracts by March 15, even though appropriations and budgets were not yet determined. It would result in binding arbitration for employee appeals. The application of Chapter 279's continuing contract law was inappropriate to the institutions governed by the Board of Regents because of the

substantial differences in the ways in which the schools were operated as state institutions in contrast to the public schools.

The Board of Regents provided special school faculty with protections similar to the provisions of Chapter 279. These provisions may be found in the Board of Regents Procedural Guide, Section 4.23. They were augmented by the terms and conditions for employment approved by the Board for use in teacher's contracts at the special schools.

The bill passed the House and the Senate Education Committee. Opposition was recommended.

House File 499 (By Committee on Education) Educational Excellence Program (Monitor)

This bill would establish an educational excellence program to address the recruitment and retention of quality teachers and the enhancement of the quality and effectiveness of teachers in Iowa's public schools. The bill passed the House and was amended and passed by the Senate Education Committee. It was being considered in the Senate, and a number of amendments proposed. As passed by the House, the bill defined three phases which would increase minimum teacher salaries to \$18,000 per year, increase the salaries of experienced teachers and support supplemental performance pay plans. Teachers at the Iowa School for the Deaf and the Iowa Braille and Sight Saving School were not specifically included in the bill as amended by the Senate Education Committee. Amendments have been proposed which would support comparable salary supplements for the special schools.

The bill also provided for the enrollment of eleventh and twelfth grade pupils in postsecondary institutions of higher education, including the Regents universities. The provisions for this enrollment were similar to those of House File 290, discussed in last month's legislative report. The bill had originally stipulated that the student's school district would pay a maximum of \$200 per course. Concerns had been expressed concerning this limitation on reimbursement. An amendment proposed in the Senate would require that payment be determined between the school district and the postsecondary institution.

House File 500 (By Buhr) Amendments to State Civil Rights Law (Monitor; needs amendment)

House File 500 included a number of modifications in the State Civil Rights Law and in its original form had little effect upon the Regent institutions. It was for Senate File 297, and several amendments have been proposed in the Senate. One of these would amend the provisions for retirement of tenured faculty to be consistent with

those of the federal statutes. The amendment would permit the compulsory retirement of tenured faculty at age 70.

House File 529 (By Committee on Small Business and Commerce)
Prohibition of Activities in Competition with Private Enterprise
(Oppose)

This bill would prohibit state agencies (including the Regents universities) and political subdivisions from engaging in activities in competition with private enterprise unless these activities involved goods or services for use exclusively by the state agency or political subdivision. The Board of Regents would be permitted to provide, by rule, for the exemption of a number of specific activities. Even with this provision, a number of the activities of the Regent universities, such as the offering of non-credit conferences, could be adversely affected and the administrative burdens resulting from the required rule making could be excessive. Opposition was recommended.

The bill passed the House but was not acted on by the Senate Small Business and Economic Development Committee. It was likely that no further action would be taken this session unless the provisions of this bill were attached to another bill.

House File 601 (By Committee on Human Resources) State Plan for
Human Organ and Tissue Transplants (Monitor)

This bill would require that the Department of Public Health establish a commission to develop a state plan for human organ and tissue transplants in Iowa. The bill included a number of stipulations for the state plan. Support was recommended for the concepts of required requests for organ donation, for provisions requiring a certificate of need for certain transplant services, and for the establishment of procedures for data collection. The Board Office and the legislative liaisons worked on technical amendments to other parts of the bill. Continued monitoring was recommended.

House File 622 (By Department of Personnel) Affirmative Action
(Support)

This bill would amend the Code chapter on equal opportunity and affirmative action. It would provide that the Department of Personnel shall, when necessary to achieve a balanced work force, certify the names of qualified persons in under-utilized groups in addition to the top six persons placed on eligibility lists for job openings under the merit system law. Support was recommended in last month's legislative report. This bill was passed by the House but

had not been acted on in the Senate State Government Committee. It was unlikely that it would move forward this year.

House File 642 (By Committee on Human Resources) Immunization of Students in Postsecondary Educational Institutions (Monitor)

This bill would require that students enrolled in postsecondary educational institutions offering a baccalaureate degree present evidence of adequate immunization against specified diseases. Enrollees who are 30 years of age or older are exempt from the required immunization. The bill passed the House and the Senate Human Resources Committee. The universities indicated their support of the public health benefits of this provision although it was noted that there would be administrative costs to the universities. Continued monitoring was recommended.

HCR 26 (By Pavich, Harbor, Pellett, Muhlbauer, Peterson, Siegrist, Royer, Daggett, Hester, Hummel, Skow, Poncy, and Connors) A Resolution Recognizing C. Joseph Giangreco (Support)

This resolution, as adopted by the House, recognized Dr. C. Joseph Giangreco for his service to the Iowa School for the Deaf. It cited a number of Dr. Giangreco's accomplishments and commends him for his years of service to the Iowa School for the Deaf.

The status of bills the Board of Regents approved positions on in March is indicated briefly in the following:

Senate File 186 (By Wells) Construction Contract Bidding and Letting Procedures (Oppose)

This bill would require that construction contract bidding procedures for public agencies provide for either separate or overall construction contract bids. It was noted that it could be very costly to bid and award separate contracts for all projects. Opposition was recommended. The bill was not acted on by the Senate State Government Committee, and further movement this session was unlikely.

Senate File 210 (By Lind) Change in Name of University of Northern Iowa (Oppose)

This bill would change the name of the University of Northern Iowa to Iowa University. It was felt that the name change would generate considerable confusion, and opposition was recommended. No action was taken by the Senate State Government Committee.

Senate File 224 (By Hannon) Oral English Language Proficiency
(Oppose)

This bill would require that the Regents establish programs to assess and ensure the oral English language proficiency of all persons providing classroom instruction. It would require all classroom instructors and faculty to be tested for English proficiency. Each of the Regent universities reported previously on programs in place to accomplish this, and it was felt that the proposed legislation was unnecessary. No action was taken in the Senate Education Committee.

House File 241 (By Stueland) Use of Correctional Institution
Property for Agricultural Research (Needs Amendment)

This bill would require that Iowa State University use, to the extent practicable, the property, facilities, labor and services connected with institutions under the Iowa Department of Corrections for agricultural research, development and testing projects. It had been recommended that it be amended to provide a permissive statement that the university may use such property, facilities, labor and services. The bill passed both the House and the Senate without the permissive amendment. However, it was amended to require that the university compensate the Department of Corrections for the use of its resources. Although this amendment may result in increased costs, the university had previously indicated that it expected to continue its cooperation with the Department of Corrections.

House Study Bill 56 (By Department of Public Health) Regulation of
Major Medical and Veterinary Equipment (Oppose)

This bill would require the Department of Public Health to establish procedures to regulate major medical and veterinary equipment. It would subject hospitals to redundant inspections and have a significant financial impact. No action was taken by the Human Resources Committee, and it is unlikely that further action will be taken this session.

House Study Bill 98 (now House File 402) (By Committee on State
Government) State Personnel Administration (Needs amendment)

This bill included a number of provisions on state personnel administration and needed to be amended so that it would be clear that sick leave use would be governed by the rules of the Department of Personnel only for those agencies subject to its rules. The necessary amendment was introduced, but the bill was referred back to the Senate State Government Committee.

House Study Bill 135 (By Committee on Education) Advance Payment of Tuition (Oppose as written)

This bill would create an Iowa Education Trust as a public corporation to provide for advance payment of tuition to attend the Regent universities or the Area Schools. It was recommended that the bill be opposed in its current form although the Regents might support the general principles of a prepaid tuition program. The proposal was not acted on by the House Education Committee.

House Study Bill 137 (By Committee on State Government) Extension of Retirement Incentives (Support)

This bill would extend for one year the State's retirement and termination incentive programs. Support was recommended. The bill was not acted on by the House State Government Committee, and it was unlikely that further action would be taken this session.

MOTION: Regent Greig moved to receive the legislative report. Regent Duchen seconded the motion, and it carried unanimously.

LOTTERY FUNDS DISTRIBUTION FOR ECONOMIC AND RESEARCH AND DEVELOPMENT PROJECTS, FISCAL YEAR 1987. The Board Office recommended receiving the report on the distribution of lottery funds for economic and research and development projects for fiscal year 1987.

The projects to be funded from a combination of third quarter 1987 lottery funds and carryover 1986 lottery funds are:

1. Drake University Insurance Research and Professional Development Institute - \$764,000
2. University of Iowa Computer Graphics Facility - \$500,000
3. University of Iowa Plasma Processing Laboratory - \$500,000
4. Maharishi International University Computer Enhanced Optical Interference Microscopy - \$150,000

In accordance with the statute, Iowa State University received the first \$3.75 million in fiscal year 1987 lottery funds for programs in agricultural biotechnology. The last installment of this award (approximately \$770,000) was being made from third quarter lottery receipts.

Institutional proposals for additional projects to be considered for fiscal year 1987 lottery funding were reviewed and priorities set by the Board of

Regents in December 1986. The twelve Regent proposals and the eleven independent colleges and universities' proposals were reviewed by a Department of Economic Development staff committee, the High Technology Council and a subcommittee of the Economic Development Board. The recommendations of the Director of the Department of Economic Development for projects to be funded were formulated subsequent to those reviews.

The Regent proposals funded were ranked third (Computer Graphics Facility) and seventh (Plasma Processing Laboratory) by the Board of Regents.

An additional \$2 million was expected to be available for the Economic and Research and Development Grant Program from fourth quarter lottery receipts. The Department of Economic Development would consider proposals for the use of these funds following an August 1, 1987, deadline date for the receipt of new proposals or resubmissions.

Director True stated additional projects would be funded through an additional \$2 million available from the lottery proceeds for fourth quarter distribution.

Regent Anderson stated the lottery priorities were ignored in the same way the capital priorities had been ignored. She asked what criteria the Economic Development Board utilized in determining priorities for lottery proceeds.

Mr. Richey stated he did not know their specific criteria. He said the board's proposals were circulated to the High Technology Council but without the board's priorities so that the council would be not be influenced by the board's priorities.

Regent Anderson questioned how the Regents could receive the universities' projects in the use of lottery funds for economic development and then set priorities and those priorities be ignored. She stated that ought to be conveyed to the Governor.

Mr. Richey stated that had been repeatedly conveyed.

Regent Anderson stated it did not make any sense that the people who should know the most about how they should use the dollars were being ignored by the people who made the decisions.

President McDonald stated Regent Anderson had eloquently made the case, and he agreed with her.

ACTION:

President McDonald stated the report was received with general consent.

APPOINTMENT OF INTERIM PRESIDENT AND PROPOSED PROCEDURES FOR SELECTION OF PRESIDENT FOR UNIVERSITY OF IOWA. The Board Office recommended (1) Accept the resignation of James O. Freedman as President of the State University of Iowa; (2) Approve the appointment of Richard Remington as Interim President of the State University of Iowa effective July 1, 1987; and, (3) Approve recommended policies for the selection of the President of the University of Iowa, as follows:

- a. Authorize the augmented University of Iowa Faculty Senate Committee on the Selection of Central Academic Officials to aid in the Presidential search.
- b. Authorize the Executive Secretary with the approval of the President of the Board of Regents to contract with an executive search firm.
- c. Approve the duties of the committee and the firm.
- d. Instruct the university Presidential Search Committee and the Board Office to develop criteria and prepare a description of the position for the Presidency of the University of Iowa and to report to the board for its consideration at its May 20 meeting.
- e. Direct the State University of Iowa to establish a fund to pay the expenses of the Presidential search.
- f. Authorize the President of the board to supervise the search process.

The board received the resignation of James O. Freedman as President of the University of Iowa effective June or July, 1987. President Freedman served the State University of Iowa as a strong and effective leader and would be missed. During the period following President Freedman's departure and the starting date of a new president, President McDonald recommended that Richard Remington be appointed as Interim President. Dr. Remington's appointment would provide continuity of the present administration. Dr. Remington agreed to accept this position on an interim basis.

The procedures recommended by President McDonald were based on the board's experience in the selection of institutional heads since 1981. This included the selection of presidents at the University of Iowa, the University of Northern Iowa and particularly those used at Iowa State University. In addition, the board completed searches for the superintendents of the two special schools during this past year. In these searches, the board utilized a campus-based committee to draft and recommend criteria for selection and to carry out a primary role in the search and screening process. All recent searches have also included the services of an executive recruiting firm. The executive search firms have provided invaluable service to the search and screening committees and to the board in the search process. Throughout all of these searches, the Board Office also carried out its important

coordinating responsibilities. The proposed process for selection is consistent with the elements of past searches and the policy of the board noted above.

It was proposed that the University of Iowa Faculty Senate Committee on the Selection of Central Academic Officials be augmented to assist the Board of Regents in selecting a new president. The committee would be broadly representative of the major campus constituents with a heavy contingent of faculty. The Board Office would assist the board president in the identification of an appropriate executive search firm. As had been the past practice, the president of the board should supervise the overall selection process, assisted by the Board Office.

The composition of the augmented committee was proposed as follows:

(1) Ten members of the faculty and administration

(a) Nine members of the faculty shall be selected by the University of Iowa Faculty Senate in accordance with its established procedures, giving due regard to representation from various colleges and the representation of women and minority faculty. One of the nine shall be a departmental executive officer.

(b) One representative of the deans.

One dean shall be selected by procedures developed by the deans. For the purposes of this section, "dean" shall be defined as all those individuals with the title of "Dean".

(2) Three representatives of the University of Iowa staff shall serve on the committee.

(a) The representatives shall be selected by the University of Iowa Staff Council. At least one of the representatives selected shall be a professional and scientific employee and at least one of the representatives selected shall be a Regents merit system employee.

(3) Two representatives of the students.

(a) One representative shall be selected by procedures developed by the University of Iowa Student Senate and Collegiate Associations Council.

(b) One representative shall be selected by procedures developed by the Graduate Student Council.

- (4) Two representatives of the alumni.
 - (a) One representative shall be selected by procedures developed by the University of Iowa Alumni Association Board of Directors.
 - (b) One representative shall be selected by procedures developed by the University of Iowa Foundation.
- (5) Up to three additional representatives of the University of Iowa may be selected to serve on the committee by the State Board of Regents.

If a vacancy on the committee occurs, the vacancy shall be filled in the same manner as the person originally was chosen.

The Chair of the University of Iowa Faculty Senate Committee on the Selection of Central Academic Officials shall serve as chair of the committee.

Any public statements about the actions of the committee or the firm shall be made only by the chair of the committee. Any public statements will focus on the committee's operations and progress, not individuals.

The schedule for the selection of a President at the State University of Iowa was proposed as follows:

May 20, 1987

Approval of the appointments to the campus Presidential Search
Advisory Committee

May-June, 1987

Advertisement of position
Search and Screen of Prospects

July-September, 1987

Interviews of prospects by Presidential Search Advisory Committee
Identification of six finalists for review by the Board of Regents

September-October, 1987

Interview by the Board of Regents
Selection of a President

It was proposed that the process begin immediately. This would be followed by the approval of the appointments to the campus Presidential Search Committee at the May 5th special meeting of the Board of Regents. The approval of the criteria developed by the search committee and the Board Office by the Board of Regents should take place at the regular May board meeting. The advertisement of the position and the search and screening of prospects would take place during May and July. In August through September, the interviews of the prospects by the Presidential Search and Screen Committee would take place, resulting in the identification of six finalists for review and selection by the Board of Regents. It was anticipated that the actual interviewing of the six finalists by the Board of Regents would take place some time in September or October, and the selection of a new president should be made at the October board meeting. This would provide an opportunity for the selection process to take place in a timely manner, yet, allow flexibility to adjust the process as needed. This schedule was similar to those used in other recent board searches including the one in which President Freedman was selected. One of the difficulties of the schedule was the fact that much of the activity would need to take place during the summer months when many students and faculty were normally not readily available. Consequently, additional time was provided for the summer process.

President McDonald stated there was a certain degree of sadness because of the tremendous respect and admiration everyone had for President Freedman. He stated President Freedman brought renewed hope, vigor, and excitement as well as a realistic vision to the University of Iowa.

President McDonald stated the recommended action included approving the appointment of Vice President Remington as the interim president of the State University of Iowa. He stated that was a most appropriate action for the board to take and he knew Vice President Remington would handle his responsibilities admirably.

Dr. Brody, President of the University Faculty Senate, stated they were very grateful for the recommended process. He said it was recognition of the role of the faculty. He stated he had two comments. The first concerned the composition of the committee with respect to faculty representation. He stated when President Boyd resigned, the president of the faculty senate appeared before the board and received approval for the faculty to represent the majority of the search committee. He recommended maintaining that same composition stating it would be in the best spirit for the search for the next president. He stated his second item of concern was the timetable of the process which involves the active consideration of presidential candidates by a wide variety of people. He stated they endorse the timetable with reservations. He was concerned there would not be adequate representation by faculty. He reiterated that they definitely support and endorse strongly a rapid search but requested delaying the timetable for one month.

President McDonald stated he appreciated the comments on both issues. He stated the first one had been done before in precisely that manner, and in some cases appointments have been used to balance gender and minorities. He stated it goes without saying that the faculty involvement would be there. He said, however, he could not speak for a future board.

Regent Anderson stated she would like to add an assurance that a majority of the search committee members would be faculty members.

Regent Duchen stated those left on the Board of Regents understood that.

President McDonald agreed to be sensitive to the fact that the timetable has interviews scheduled over the summertime and, therefore, would probably need to be extended.

MOTION:

Regent Harris moved to accept the resignation of President Freedman with regret but with a great sense of appreciation for what he had done for the University of Iowa; to approve the appointment of Vice President Remington as Interim President effective July 1, 1987, with a special thanks for taking on the added responsibility; and to approve the policies for selection of the President of the University of Iowa with a modification of the original recommendation by adding that the timetable may be modified to accommodate the members on the search committee. Regent Duchen seconded the motion, and it carried unanimously.

CLASSIFIED RESEARCH. President McDonald referred to discussion earlier in the meeting regarding capital requests and the request for Presidents Eaton and Freedman to develop language in the form of a Resolution for board consideration concerning capital requests. He read the second paragraph of the resolution adopted by the board in February which states: "The determination of academic research policy falls properly within the governance authority of the Board of Regents, working in concert with the academic institutions. It is the Board of Regents that has the fundamental responsibility to consider the issues of academic freedom that any research policy implies." He said that it was not necessary to restate that but reemphasize that in terms of developing another statement.

ACTION:

President McDonald stated the Board of Regents reemphasizes the second paragraph of the board's February 1987 Resolution by general consent.

APPEAL OF RESIDENCY CLASSIFICATION FOR TUITION PURPOSES. President McDonald stated this item was deferred for additional consideration.

POLICY ON SPECIAL ASSIGNMENTS OF INSTITUTIONAL HEADS. The Board Office recommended that the board approve the following policy:

4.36 SPECIAL ASSIGNMENT, INSTITUTIONAL HEADS.

The Board of Regents may, in its discretion, place an institutional head on special assignment for up to one semester with full pay and benefits. An institutional head who has served in that capacity for the Board of Regents for at least five years is eligible to apply for such an assignment. The assignment may be for the purpose of advanced study, for research, for creative work and for other worthwhile projects. Such assignment must be requested in writing to the Board of Regents with a copy to the Executive Secretary and will be docketed for formal board approval.

The board recognized on several occasions that the demands placed upon its institutional heads were continuous and unending. The board also recognized that institutional heads desire to retain and further their academic interests and research, and that the skills and knowledge of these leaders were also sought by others including state, national, and international organizations. In order to retain and to enhance the vitality of the leadership of these institutional heads and to share their expertise, it was suggested that the board establish a procedure for granting institutional heads time away from the day-to-day leadership of their institutions. The proposed policy provides that after five years of service as an institutional head the institutional head is eligible for up to one semester on a special assignment approved by the board. While on the special assignment the compensations and benefits provided the institutional head would continue.

The board is authorized by the Code of Iowa, Section 262.9(2) to elect the heads of the institutions it governs and fix their compensations. The board's necessary governance authority is ensured by Section 262.9(11) of the Code which provides the board can "perform all other acts necessary and proper for the execution of the powers and duties conferred by law upon it."

Mr. Richey stated the board indicated it would like to have a policy regarding special assignment of institutional heads and the policy was proposed to comply with that wish. He stated this was along the line of a policy adopted by the board six or seven years ago to allow major administrators, especially presidents, to return to the faculty.

Regent Harris stated it was an excellent idea and strongly supported the recommendation.

MOTION: Regent Harris moved approval of the recommendation regarding special assignments of institutional heads. Regent Murphy seconded the motion, and it carried unanimously.

POLICY ON ALTERATION OF RESIDENCES OF INSTITUTIONAL HEADS (SECTION 9.07, REGENTS PROCEDURAL GUIDE). President McDonald stated this item was deferred until next month.

POLICY REGARDING REEMPLOYMENT RIGHTS OF FACULTY OF SPECIAL SCHOOLS. The Board Office recommended that the board approve a procedure for re-employment of faculty terminated at the special schools as a part of a reduction in force, as follows:

4.23F. A special school faculty member with more than two years of continuous service at one of the special schools who has been terminated from employment because of a reduction in force shall be eligible for re-employment if a vacancy exists at that special school for which the faculty member is qualified by certification and endorsement. This eligibility shall be retained by the faculty member for three years. It is the responsibility of the faculty member to notify the superintendent of the special school before the end of the school year in which the termination takes place of the faculty member's desire to be considered for re-employment. It is the responsibility of the faculty member to provide the superintendent with a permanent address through which the faculty member can be reached should re-employment become possible. The faculty member must notify the superintendent in writing within seven calendar days of the date of the notification of re-employment if the faculty member intends to accept re-employment. Upon re-employment the faculty member must report to work so that there are no more than twenty-one calendar days of absence from work if the re-employment opportunity occurs during the time school is in session. If the re-employment opportunity occurs when school is not in session, the faculty member must report to work on the first day of the next session. Once re-employment has begun, the faculty member must be available for work on a continuous basis. Failure of the faculty member to comply with the provisions of this procedure will terminate the faculty member's re-employment rights. The faculty member's salary and benefits at re-employment will be those that would have obtained the year following termination had the faculty member not been terminated.

Faculty at the special schools are employed pursuant to a contract with **CONDITIONS OF APPOINTMENT** (hereinafter **CONDITIONS**) approved by the board. Since the spring of 1981 the **CONDITIONS** has contained a continuing contract clause which provides a continuing contract after a faculty member has

completed two consecutive years of employment as a probationary period. The CONDITIONS provides that following the probationary period the contract will continue "...except as modified or terminated by agreement or for cause." The board approved this language in order to provide faculty at the special schools a continuing contract similar to the one the legislature provided for all Kindergarten through 12th grade teachers in the common schools pursuant to Section 279.13 of the Code of Iowa. The Procedural Guide provides for continuing contracts at Section 4.23D.

A reduction in force is a cause for which the board may need to terminate a faculty member. However, as this is not a cause which is associated with unsatisfactory performance on the part of the faculty member, it has been suggested that the board should give consideration to adopting a procedure for re-employment of a faculty member terminated as a part of a reduction in force. The procedure proposed above provides for the faculty member to be eligible for re-employment for a period of three years following termination, for administrative procedures to be followed for consideration for re-employment and for acceptance of re-employment, and for salary and benefit placement upon re-employment at the level that would have obtained had the termination not taken place. The faculty member must be eligible by certification and endorsement for the position to which re-employment applies.

This proposed procedure was reviewed by the superintendents of the special schools, and they also recommended its approval.

Regent Tyler said the policy was spelled out nicely for the special schools. He asked about other categories of Regent employees. Director Wright stated the immediate need was for the special schools. He said there were similar policies for other classes of employees.

Mr. Richey stated the lack of such a policy was, frankly speaking, an oversight.

MOTION: Regent Tyler moved approval of the recommended action regarding reemployment rights of faculty of special schools. Regent Duchen seconded the motion, and it carried unanimously.

BOARD OFFICE PERSONNEL REGISTER. The Board Office recommended approval of the Register of Personnel changes as follows:

Resignation: Renee King, Clerk I, effective March 20, 1987.

Appointment: Kristyn Stumpf, Secretary II, Grade 507, Step 3 at an annual salary of \$15,100 plus the usual fringe benefits, effective March 27, 1987, (transfer from Iowa State University).

Appointment: Ann Sloan, Clerk I, Grade 503, Step 3 at an annual salary of \$11,648 plus the usual fringe benefits, effective April 10, 1987.

Appointment: Barbara Briggie, Secretary IV, Grade 112, Step 3 at an annual salary of \$19,552 plus the usual fringe benefits, effective April 15, 1987.

ACTION: President McDonald stated this item had been approved by general consent of the board.

SCHEDULE OF REGENTS MERIT SYSTEM PAY PLAN HEARING. The Board Office recommended that the Board schedule the annual public hearing on the Regents Merit System Pay Plan for Wednesday, May 6, 1987, at 7:30 PM in Hearing Room #1, first floor of the Lucas State Office Building in the Capitol Complex, Des Moines. In previous years a Regent was selected to chair the hearing. It was proposed that the Regents Director of Personnel and Employment Relations and the Merit System Director conduct the hearing this year.

Chapter 19A of the Code of Iowa and the rules of the Regents Merit System require an annual public hearing on proposed pay plan adjustments. A hearing in early May would enable the Board to approve recommendations for revisions for the fiscal year beginning July 1, 1987, in time for review by the State Department of Personnel prior to implementation on July 1, 1987.

Regent Anderson stated she felt this was a good idea which was long overdue.

MOTION: Regent Duchen moved approval of the recommended action regarding the schedule for the Regents merit system pay plan hearing. Regent VanGilst seconded the motion, and it carried unanimously.

COMPARABLE WORTH PAY GRADE CHANGES, REGENT MERIT SYSTEM. The Board Office recommended that the Board approve pay grade assignments for the following classes as indicated, subject to funding by the legislature, effective July 1, 1987. (Each proposed grade represents an increase of one over the current grade assignment.)

<u>Class Title</u>	<u>Pay Grade</u>	<u>Class Title</u>	<u>Pay Grade</u>
High Voltage Electrician	211	Library Assistant III	510
Clerk II	505	Dental Assistant II	406
Clerk III	508	Dental Assistant III	109
Clerk IV	111	Histology Technician I	405
Clerk Typist III	508	Histology Technician II	409
Secretary II	508	Clinical Technician II	409
Secretary III	511	TV Media Technician	405
Account Clerk	509	Glassblower	413
Account Specialist	512	AV Equipment Specialist	407
Office Coordinator I	111	Photo Specialist II	410
Records Analyst I	510	Photo Copy Operator	504
Medical Records Tech. I	507	Compositor	208
Medical Records Tech. II	509	Safety Technician	207
Medical Records Tech. III	512	Patient Transport. Driver	208
Library Assistant II	508	Central Services Tech. III	110

In 1983 legislation was enacted which established the policy that pay for state employees be based on comparable worth, i.e. the value of work as measured by the skill, effort, responsibility, and working conditions normally required in the performance of jobs. Legislation enacted in 1984 and 1985 prescribed procedures for the conduct of comparable worth studies and the implementation of resulting pay adjustments.

In 1985 the Board approved pay grade adjustments recommended by the consultant it retained to conduct the comparable worth evaluation of Regents Merit System classes. Later that year and as required by legislation, a review of the study was conducted and approved by the Board and submitted to the Governor and the Legislative Council. In 1986, consistent with legislation and negotiated agreements covering collective bargaining unit employees, a process was established by which employees could appeal the evaluations of their classifications. Two hundred and seventy-two merit system employees in seventy-five different job classifications filed appeals.

Those appeals and the evaluations of thirty-four related classifications were reviewed by committees of personnel management analysts, employee representatives selected by AFSCME (to review appeals in classes covered under collective bargaining contracts), and employees selected by the Merit System Advisory Committee (to review appeals from employees in supervisory classes). Following those reviews, hearings were held during which employees in appealed classifications presented testimony and additional information regarding their appeals. The testimony was heard by a joint committee of university personnel directors, AFSCME employee representatives, and the Regents Merit System Director. The disposition of appealed evaluations of bargaining unit classes was made by the vote of that committee subject to review by the Regents Merit System Director. The disposition of appealed

evaluations of supervisory classes was made by a committee of personnel directors and Merit System Advisory Committee members, subject to review by the Merit System Director.

Thirty classifications, approximately 27 percent of those reviewed during the appeal process, were recommended for a one pay grade increase. Of those 30, 22 were female dominated, i.e. 70 percent or more of the incumbents were female. Three were male dominated, and five were mixed classes, i.e. neither male nor female dominated or they had fewer than five incumbents. Several of the classes recommended for increases were high population classes. There are approximately 900 Clerk II's, III's, and IV's, and approximately 1,175 Secretary II's and III's. Approximately 2,740 employees in the 30 classes recommended for upgrading would receive increases of about 5 percent totaling \$2,468,289.

The Board of Regents budget request includes \$1,713,672 for positions paid from appropriated funds. The Governor's salary bill included \$1,452,264, which was based on the initial submission. The Board Office requested the additional \$261,408 to pay for fringe benefits associated with these salary increases. The remaining \$754,617 is for positions not covered by appropriations. For these positions the institutions use restricted funds such as grant and income accounts.

The board also had before it a minority report recommendation for pay grade presented Tom Donahue, State Director of Personnel, which had been presented to him by AFSCME.

MOTION: Regent Anderson moved approval of the recommended action on the comparable worth pay grade changes. Regent Murphy seconded the motion, and it carried unanimously.

REQUEST FOR REVIEW OF A FINAL INSTITUTIONAL DECISION. The Board Office recommended that the board deny the request of James B. Smith for review of a final institutional decision concerning the purchase of season tickets for seats 16 and 17, row 14, section 23 of the university's Cyclone Stadium.

The Board of Regents Procedural Guide, at section 2.07A(2) provides a method for any person to request review of a matter pertaining to the board and the institutions it governs. James B. Smith has complied with the requirements of this section and requested review of a final institutional decision at Iowa State University.

Mr. Smith alleged in his petition that an unnamed representative of the Athletic Department of the university made a presentation to him and others in Perry, Iowa, during the course of the fund-raising activities for the construction of what is now known as Cyclone Stadium. He stated that, "The representative advised that if persons in attendance would pay the required

sum, they would then be assigned a seat, in this particular instance, in Section 23, and as long as the person making the payment would order and pay for the same seat in each succeeding year, that seat would unequivocally be available to the person making the required payments." Mr. Smith stated that he paid the sum necessary to receive the seats which he has had since 1975. He indicated that the ISU Athletic Department was now taking these seats away from him because the department has instituted a new point system based on contributions and ticket purchases for assigning priority seating. Mr. Smith does not have the points necessary to retain the seats he has had since 1975. Mr. Smith indicated that he had a conversation with the Director of Athletic Development at the university and that the director admitted that the contract and promise for the seats had been made but that the department had no choice but to break the promise in an effort to increase fund raising for athletics.

Mr. Smith asked that the board prohibit the university or any of its affiliates from disposing of the seats he has had since 1975 and asked that the board confirm the promise and contract made by the university which would provide him his seats for as long as he performed his part of the promise, i.e. he can have the seats as long as he purchases season tickets.

The university maintained no authorized representative of the university made an oral promise as alleged by Mr. Smith. In support of its position, the university submitted four documents contemporaneous to the fund raising effort. For a person in Mr. Smith's position who contributed \$300 per seat, three of the documents state as follows:

A gift of \$300 will give contributors the possibility of purchasing a season ticket for a seat located at a good height between the 30- and 40-yard lines.

The Board Office found this language persuasive of the university's position that no promise was made for the opportunity to purchase a specific seat for as long as the contributor desires. If the language in these documents had stated that in exchange for the contribution the contributor was guaranteed the opportunity to purchase a season ticket at a specific location then the Board Office's conclusion would have been different.

The university reported the Director of Athletic Development stated he did not acknowledge, in a telephone conversation with Mr. Smith, a promise or contract with Mr. Smith had been made by the university in 1973.

The Board Office concluded the university's decision denying the relief requested by Mr. Smith should not be reviewed by the board, and Mr. Smith could then seek judicial review of the board's decision as permitted by law.

MOTION: Regent Tyler moved approval of the recommended action on the request for review of a final institutional decision. Regent Duchen seconded the motion, and it carried unanimously.

APPEALS OF EMPLOYEES. The Board Office recommended that the board hear the appeals of a final institutional decision from employees as follows: (a) Dana Anderson, Iowa School for the Deaf, (b) Laurie Lee, Iowa School for the Deaf, and (c) Janice Wood, Iowa School for the Deaf.

The three employees identified above were informed by Superintendent Giangreco that they would be terminated from their full time positions at the end of the 1986-87 academic year.

The procedures in place at Iowa School for the Deaf provide that the board hear the appeal of a terminated faculty member with a continuing contract if the faculty member terminated requests such a hearing. A faculty member has a continuing contract pursuant to the Board of Regents Procedural Guide Section 4.23 after the faculty member has completed two consecutive years of satisfactory service. The CONDITIONS OF APPOINTMENT approved for the faculty also provide for the continuing contract. Each of the above-named faculty met the requirements for a continuing contract.

The three faculty members and their representatives were informed by letter on Thursday, April 16, 1987, that the board would consider their appeals on Thursday, April 23, 1987, at Iowa Braille and Sight Saving School, at approximately 10 a.m. The employees were asked to identify by Tuesday, April 21, if they wished a personal appearance or to appear by brief. They were informed that personal appearances would be limited to 15 minutes.

The superintendent's position was presented at the board meeting by Director Wright. He stated there were three employees from the Iowa School for the Deaf who were recommended for termination and who requested a board hearing. He stated the board members were not asked to make a decision at this meeting. Assistant Attorney General Merle Fleming was present at the meeting and would be preparing findings of fact and law which would be the basis for the board's decision at a later date.

Director Wright stated Ms. Woods' complaint was based upon her reduction from a full-time to a half-time contract. He stated Ms. Lee and Mr. Anderson were terminated from a full-time contract. Chapter 262.9 of the Code of Iowa provides that the board elects superintendents and teachers for the special schools and fixes their compensation. The Procedural Guide section 4.23 provides for contracts for teachers. Subsection B provides that following a period of two consecutive years of service a contract shall automatically be in force and in effect for annual periods except as provided in Subsection D.

Subsection D requires that the superintendent give notification to a teacher by April 10 of his intent to terminate the teacher at the end of the school year and that the superintendent inform the teacher of the right to a private meeting. Any grievances and appeals according to procedures in place at the institution will apply. He stated institutional appeal procedures provide that an employee terminated has the right to appeal to the Board of Regents. He stated the board reaffirmed the Conditions of Appointment which have been in place since the late 1970's in May 1986. The Conditions of Appointment restate the concept of the continuing contract. The Conditions of Appointment also state that the contract may be modified or terminated only by mutual consent or for cause.

Director Wright stated the superintendent submitted that the cause for termination was two-pronged. Since 1980 enrollments have fallen from 400 to approximately 130 this past fall. Enrollments are anticipated to fall further in 1987. Therefore, the first cause is the reduction in staff was because of reduced enrollment. The second cause was budget constraints. In April 1986, the board approved a preliminary review of the finances and plans for the institution and determined staff reduction was advised, and a budget review be undertaken. The budget approved included a \$300,000 reduction. Of that amount, the superintendent recommended \$150,000 would be from faculty salaries. He indicated he did not believe the reduction could be accomplished through attrition. The superintendent reviewed the staffing patterns and positions required. First he looked at certifications and then looked at the necessary classroom instruction component for the 1987-88 school year. He considered the certifications, endorsements, and approvals each of the teachers had for teaching the subjects necessary at the school. He also looked at seniority acknowledging when more than one person was similarly qualified and was performing well and had a continuing contract, preference would be given to the senior member. Superintendent Giangreco reviewed attrition to date and determined he would not be able to secure all the necessary reductions through attrition. Director Wright stated the reductions in the three teachers salaries that are under appeal represent \$72,000 of the \$150,000 of the savings the superintendent was seeking.

Director Wright stated the documents before the board were the ones which Jack Hyler, ISEA UniServ Director, requested to be provided to him last week. Mr. Wright noted that one of the three faculty members had indicated the documents should be forwarded to her counsel.

Director Wright stated the first appeal heard would be from Ms. Laurie Lee who was being represented by her counsel, Becky Knutson, and the testimony concerning Ms. Lee's appeal was being recorded by a court reporter.

Director Wright stated Ms. Lee had received notification from the superintendent on March 14, 1987, of the superintendent's recommendation for termination. A copy of the letter was included in the exhibits provided to

the board. An appeals hearing was granted, and the documentation relative to that appeals conference was included in the request of Ms. Lee to be heard by the board.

Director Wright stated one of the things Ms. Lee contended was that there were other teachers in the career education program who were doing jobs she could do. He stated the superintendent asserted he had to retain the individuals who offered the greatest flexibility of teaching credentials, and that the other two individuals provided that flexibility. He stated at least one year previous the superintendent offered Ms. Lee the opportunity to teach one of the other courses, and she declined. He stated the people left have the necessary training to teach the courses. Director Wright stated the termination would contribute approximately \$24,000 of the \$72,000 savings desired.

Director Wright stated he would provide Ms. Fleming, the board's counsel, a copy of a computer printout showing the dates of appointment, certifications, endorsements, and approvals of all the faculty which would become part of the record.

Director Wright stated the superintendent asked the board to ratify his decision to terminate Ms. Lee. Director Wright asked Superintendent Giangreco if he desired to make additional remarks. Superintendent Giangreco stated he had no further comments.

Becky Knutson, counsel for Laurie Lee, stated Ms. Lee was an industrial arts teacher at the Iowa School for the Deaf. Ms. Knutson stated Ms. Lee felt she was terminated unjustly without due process. Ms. Knutson stated she provided a series of documents to Director Wright which would be a part of the record. These documents included the Procedural Guide, staff lists, budget reports of the institution from 1983-1987, November 1986 Regents docket directing the budget cuts, minutes of a November 12, 1986, faculty senate meeting where Superintendent Giangreco was requested not for the first time to provide to the faculty a staff reduction procedure. She stated Superintendent Giangreco did not provide the requested staff reduction procedure and, therefore, there no specific procedures exist for terminating staff. Ms. Knutson stated she also gave Director Wright a report of the State Ombudsman in which Ms. Lee and a number of other faculty participated and a notice of termination which contained no reasons or specifics for termination. She stated there was no concrete evidence against Ms. Lee nor any specific comparisons of her qualifications to those of other faculty members. She stated she also included an April 7, 1987, request for information from Jack Hyler. The request had not been entirely fulfilled and still lacked a teachers' handbook.

Ms. Knutson referred to documentation of Ms. Lee's request for hearing and stated of primary importance in Ms. Lee's complaint and request to consider was her property right which she had in her employment at the Iowa School for

the Deaf. Ms. Knutson stated Mr. Lee had been employed with the Iowa School for the Deaf for nine years and was not a probationary employee, and it was not a case where her competency was being attacked. Ms. Knutson reiterated that Ms. Lee had a property right in her continued employment since she had a contract which continued unless terminated by mutual agreement with just cause not just to cut dollars.

Ms. Knutson stated Ms. Lee feels she had not been given due process. She stated there were no procedures for determining how staff reductions were to occur at the Iowa School for the Deaf. She noted apparently staff reductions were at the pleasure of the officials. She stated the decision to terminate Ms. Lee was made without specific notice to her. Ms. Knutson stated that ten minutes previous to her addressing the board was the first time she had heard specific reasons given for the termination. She stated provided in the minutes of the conference is a complete lack of comparison of Ms. Lee's credentials to those of other faculty members. She noted the transcript of the meeting with Dr. Giangreco was less than two pages long. She stated Ms. Lee must be given specific reasons for the termination and be able to rebut them.

Ms. Knutson stated the appeal procedure utilized at this meeting was not due process. She stated that in classic due process she would hear the reasons for Ms. Lee's termination. She also stated that fifteen minutes was not sufficient time to present a witness to make a case to keep a person's job. She said the lack of time and lack of prior notice was fatal to any attempt to try to terminate a continuing contract. She said there were serious questions why any of these people were selected for termination. She said Dr. Giangreco was leaving the institution, and they feel they were terminated for reasons completely unrelated to budgetary issues. Ms. Knutson stated Ms. Lee participated in the ombudsman investigation. Secondly, she stated Ms. Lee had been a person who freely spoke her mind; and this was a significant contribution to why she was selected for termination. She asked the board to notice how many teachers at the Iowa School for the Deaf were qualified to teach industrial arts and stated only one of those teachers was female, Ms. Lee. Ms. Knutson stated Ms. Lee was not the least senior industrial arts teacher and nothing had been shown that she was not capable of retaining a full-time position. Ms. Knutson stated she had a prima facie case of sex discrimination.

Ms. Knutson urged the board to strongly consider what was happening at the Iowa School for the Deaf and to consider why Ms. Lee was chosen for termination based on the evidence. Ms. Knutson asked the board on behalf of Ms. Lee to (1) continue the hearing to such a point as Ms. Lee was fully notified of the specific reasons for termination and to give Ms. Knutson time to accumulate evidence; (2) keep the record open; (3) if that was not done, she would protest the procedure used to make the termination decision. She asked the board to consider what she had recommended and not terminate Ms. Lee on the basis of the slim evidence.

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Director Wright stated all documents presented on behalf of Ms. Lee would be presented to the board's counsel.

Director Wright stated Dana Anderson's record should contain the same introductory information as was provided for Ms. Lee's appeal. He stated the letter of notification delivered on March 11 and the letter requesting the appeal review were all part of the record. Director Wright stated there were other science teachers who were certified at the institution; and, considering the number of high school science teachers needed for the coming year, the superintendent elected to use other certified and endorsed teachers. He stated each of other two teachers have greater seniority than Mr. Anderson. He stated the superintendent noted that following the delivery of the letter of termination, the superintendent received this week additional endorsements on behalf of Mr. Anderson; and he still does not offer the number of endorsements and approvals as the other two faculty members. The termination of Mr. Anderson would contribute \$30,000 toward the \$150,000 savings necessary.

Director Wright stated the superintendent requested that the board ratify the termination of Mr. Anderson for these reasons.

Director Wright stated Mr. Anderson indicated he would appear on brief. Director Wright then distributed a copy of the brief to each board member and to the board's counsel.

Director Wright asked Superintendent Giangreco if he desired to make additional remarks. Superintendent Giangreco stated he had nothing to add.

Director Wright stated the next appeal being considered was that of Janice Wood. He stated Ms. Wood was being offered a half-time contract for next year, and it was necessary to terminate her full-time contract before offering her a half-time position. The notification was delivered to Ms. Wood on March 11, 1987, and a copy was contained in the exhibits before the board. He stated an appeal to the superintendent was granted, and documents relating to that conference were also contained the exhibits before the board. Director Wright stated in considering the reduction and offering her a half-time position, Superintendent Giangreco was aware one full-time psychologist was used when the enrollment was 400, and the enrollment was now down to 130. It was the position of the superintendent was that the school's needs for a psychologist could be served by a half-time psychologist. Director Wright noted that at some future date it may be necessary to employ a clinical psychologist as has been indicated by several outside consultants. He stated the superintendent noted approximately \$18,000 would be saved by reducing Ms. Wood from full-time to half-time employment. Superintendent Giangreco requested the board ratify the termination of full-time employment for Ms. Wood.

Director Wright asked Superintendent Giangreco if he desired to make additional comments. Superintendent Giangreco stated he had no further comments to provide. Director Wright stated Ms. Wood elected to appear by brief, and a copy of the brief would be provided to each member of the board and to the board's counsel.

Director Wright stated the hearing on the three appeals was concluded.

President McDonald stated proper action would be for the board to refer the documents to counsel for review and recommendation to the board at the May meeting.

MOTION: Regent Harris moved that the board refer the appeals to counsel for a report and recommendation at the May meeting. Regent Greig seconded the motion, and it carried unanimously.

NEXT MEETINGS SCHEDULE.

May 5	Des Moines	
May 20-21	Iowa School for the Deaf	Council Bluffs
June 17-18	University of Northern Iowa	Cedar Falls
July 8-9	Iowa State University	Ames
August	NO MEETING	
September 16-17	University of Iowa	Iowa City
October 21-22	Iowa State University	Ames
November 11-12	Iowa School for the Deaf	Council Bluffs
December 9-10	University of Iowa	Iowa City

President McDonald then asked the board members and institutional executives if there were other general items for discussion. There were none.

STATE UNIVERSITY OF IOWA

The following business was transacted on Wednesday, April 22 and Thursday, April 23, 1987.

Vice President Spriestersbach stated the Council for the Advancement and Support of Education sponsored a video fund-raising competition for which the university had created a video film on lasers. The laser video submitted by the University of Iowa was ranked third out of eighty-three. Vice President Spriestersbach proceeded to present the video film to the Board of Regents.

SALE OF ACADEMIC BUILDING REVENUE BONDS (SERIES SUI, 1987). The Board Office recommended (1) adopt "A Resolution providing for the sale and award of \$10,550,000 Academic Building Revenue Bonds, Series S.U.I. 1987, and approving and authorizing the agreement of such sale and award."; and (2) adopt "A Resolution authorizing and providing for the issuance and securing the payment of \$10,550,000 Academic Building Revenue Bonds, Series S.U.I. 1987, for the purpose of defraying the cost of renovating and remodeling the Chemistry-Botany Facilities (Phase II) located on the campus of the State University of Iowa and acquiring certain biotechnology and laser science and engineering equipment for use on the campus of the State University of Iowa".

Director True stated the board was requested to approve the sale of bonds for the renovation of the Chemistry-Botany Building at the University of Iowa and for the purchase of laser and biotechnology equipment. He stated that last month the possibility was discussed that part of this issue be zero coupon bonds; however, after further research by the board's bond counsel, it was determined that it would not be possible for a part of this issue to be sold as zero coupon bonds.

Luther Anderson of Springsted, Inc., the board's financial advisor, stated two bids were received. He said the financial markets have been fluctuating for weeks, interest rates were up in nearly every sector, and the municipal bond market has fared worse than the rest of the financial markets. He stated he faced the sale of these bonds with some trepidation. He stated the buyer bond market index is 1.36 percent higher now than last month. He stated he did have conversations with the university and Board Office staff regarding whether to proceed with the sale. He stated he felt the decision to proceed with the bond sale was a good one. The results were as follows: the first bid was from Dain Bosworth \$13,463,544.75 which results in 7.3188 percent net interest rate. The second bid was from John Nuveen for \$13,197,364.59 which is a net interest rate of 7.174 percent. This is one percent higher than the rates of last month.

MOTION: Regent Harris moved that the board adopt a resolution providing for the sale and award of \$10,550,000 Academic Building Revenue Bonds, Series S.U.I. 1987, and approving and authorizing the agreement of such sale and award. Regent Anderson seconded the motion, and upon the roll being called, the following voted:
AYE: Anderson, Duchen, Greig, Harris, McDonald, Murphy, Tyler, VanEkeren, VanGilst.
NAY: None.
ABSENT: None.

MOTION: Regent Anderson moved that the board adopt a resolution authorizing and providing for the issuance and securing the payment of \$10,550,000 Academic Building Revenue Bonds, Series S.U.I. 1987, for the purpose of defraying the cost of renovating and remodeling the Chemistry-Botany Facilities (Phase II) located on the campus of the State University of Iowa, and acquiring certain biotechnology and laser science and engineering equipment for use on the campus of the State University of Iowa. Regent Tyler seconded the motion, and upon the roll being called, the following voted:
AYE: Anderson, Duchen, Greig, Harris, McDonald, Murphy, Tyler, VanEkeren, VanGilst.
NAY: None.
ABSENT: None.

President McDonald directed that all certified checks except for the awarded bidder be returned.

STUDENT ACTIVITY FEE ALLOCATIONS. The Board Office recommended approval of the university's proposed allocation of student activity fees for 1987-88 for the University of Iowa.

Student activity fees are allocated from the annual tuition rates already approved by the Board of Regents. These fees are not assessed in addition to the annual tuition charged to students. They represent an "earmarked" portion of the total tuition charge and are developed by each university in

consultation with its students. The proposed student activity fee allocation must be approved by the Board of Regents.

The portion of tuition revenues remaining after the allocation of student activity fees goes into the university's general fund. When establishing tuition for 1987-88, the board indicated its intent that the revenue generated by tuition increases (12 to 13 percent for resident students and 20 percent for nonresident students) was to be dedicated to increased student financial aid and to improvement in the competitive position of faculty salaries. The additional funding for student financial aid and faculty salaries is derived from the general fund portion of tuition income increases. Any increase in the student activity fee allocations for next year results in a direct reduction in tuition revenues calculated to be available for student financial aid and faculty salary increases.

The university requested that student activity fee allocations not be increased for the 1987-88 academic year and the 1988 summer session. The university predicated this decision on several factors including the actions of the board in December to direct tuition revenue increases next year to student financial aid and faculty salaries. Another factor considered by the university was the financial circumstances of university operations supported by the general fund. These operations are dependent upon internal reallocation for growth of any programs of special need. The need for resources to implement the board's goals for increasing minority enrollment is cited as one example of where reallocation is required.

The following table is a summary of student activity fee allocations for 1986-87 and the university's proposed allocation for 1987-88.

Proposed Allocation of Student Activity Fees

	Per Semester		Summer	
	<u>1986-87</u>	<u>1987-88</u>	<u>1987</u>	<u>1988</u>
Student Activities	\$14.48	\$14.48	\$ 2.38	\$ 2.38
Student Services	\$12.97	\$12.97	\$ 3.63	\$ 3.63
Building Projects	<u>\$27.82</u>	<u>\$27.82</u>	<u>\$11.99</u>	<u>\$11.99</u>
TOTAL	\$55.27	\$55.27	\$18.00	\$18.00

C O R R E C T E D

STATE UNIVERSITY OF IOWA
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The university's recommended allocation for student activities last year provided an 11.9 percent increase for the academic year and a 36 percent increase for the summer session. In its memo to the board last year the university had indicated that the extraordinary increase for 1986-87 would be taken into consideration when the university's recommendations for 1987-88 were prepared.

The President of the University Student Senate submitted a request for an increase in student activity fees of 7.6 percent for the academic year and 14 percent for the summer session. Included in this request was a 5.5 percent increase to accommodate price inflation and declines of fee-paying students. The balance of the request was for an increased allocation for student legal services and a new program entitled Student Video Productions.

The university stated that due to time constraints the two student government organizations had not completed their recommendations on the allocation of these fees among the various student activities. It was the university's understanding that student groups would be prepared by the May board meeting to recommend specific uses of funds for student activities within the authorization approved by the board in April. This was an unusual procedure which resulted from the combination of the university's recommendation that allocation of tuition revenues to student activity fees not be increased next year and insufficient time for student organizations to examine alternative uses of the allotted student activity fees.

Vice President Ellis stated the university was not recommending an increase this year in any categories which was a departure over the last several years when the university had recommended an increase. He said the university was not recommending an increase for several reasons. First, the general economic condition of the university. He said last year the university's base appropriations were reduced by \$4.8 million and severe reductions had to be made in a number of categories and that is still working its way through the system. The Governor's appropriations recommendations would reduce the University of Iowa by another \$1.75 million. He stated the university was trying to support faculty and staff salary increases. He said they had made cuts in library books, equipment and building repairs. He indicated the income from tuition increases would go exclusively for faculty salaries and financial aid. He said the board had adopted a policy to which the university ascribed which sets an affirmative action goal of 8.5 percent for enrollment of minority students. He said the goal cannot be met without funds. He said last year the university recommended a larger increase in the student activities category than would have been suggested by such things as inflation and the state of the university's budget. Last year the university recommended a twelve (12) percent increase for student activities fee for each semester and a thirty-six (36) percent increase for the summer semester. He stated the university pointed out last year in determining the appropriate level of the fees that the large increases would be taken into account when fee levels were set for 1987-88. He said

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a distribution of fees by category would be brought to the board in May. He added representatives of student organizations indicated their disagreement with the university.

Charles DuMond, Vice President of the Collegiate Association Council, stated he made a presentation last summer on the student activities fee issue. He stated they continue to try to convince the administration and others involved to develop a procedure for dividing up that money. He stated part of the problem was a certain amount of personality conflicts between students and administration. He questioned how comparable the student activities fees were from one institution to another. He stated Iowa State University's student activities fee minus the recreation fee was \$15.63 compared to \$15.58 University of Iowa students were asking for. He stated the students have incurred some increased costs from the university's new phone system and, therefore, there are cost increases in just providing telephones for the student groups. He stated one of the problems of mandatory student fees was that they found themselves in the position of saying that mandatory student fees should logically go up as tuition goes up. He suggested that a partial solution to consider would be to have the student activities portion of the mandatory student fee set in an altogether different manner. He stated they feel the general fund was increasing, but the student fee does not increase because the tuition is actually going up more than the 12 percent. He asked the board to look at the student government as any other government. He stated other students would make a presentation at next month's meeting.

Regent Anderson asked if the students would come to the board to increase student activities fees. Mr. DuMond responded that yes, they were going to.

Vice President Ellis stated he had not noticed Charles DuMond to have a personality conflict with anyone. He said he did not want his recommendations to cast doubts on the legitimacy of the recommendations made by the students. He said there was no question about the students' needs. He said proposals from throughout the university were being turned down, and no one was receiving an increase to offset inflation because the resources were just not there.

Mr. Richey stated the university's available funds for next year exclusive of the tuition increase which is earmarked for faculty salaries do not include any increase whatsoever.

MOTION:

Regent Anderson moved approval of the University of Iowa student activity fee allocations for 1987-88. Regent Harris seconded the motion, and it carried unanimously.

REGISTER OF PERSONNEL CHANGES. The Board Office recommended approval of the 1987-88 promotion and tenure actions as presented by the University of Iowa.

Regent Anderson stated she had a continuing concern about the number of women who were getting tenure. She stated that of the 34 total promotions in the College of Liberal Arts only 5 or 15 percent were women; and, of the 13 receiving tenure only two were women.

Vice President Remington stated there were large discipline areas in which women were not entering into graduate level programs and, therefore, not receiving Ph.Ds.

Regent Anderson stated that was why she had identified the College of Liberal Arts where she felt the percentage of women was higher.

Vice President Remington stated he could not say exactly what the percentage was. He said the college does include the sciences which is an area about which he was speaking where women were not entering the discipline. He said they were in the process of recruiting a female full professor in the Department of Chemistry as well as women in political science and sociology.

Regent Anderson stated she had never questioned the commitment at the top but questioned the real commitment at the department level to consider women as faculty and as graduate students. She asked to what could this commitment be monitored.

Vice President Remington stated he felt there was a commitment across the university. He said there was a variety of programs to attract women and minorities.

Regent Greig stated one factor to keep in mind was the intense competition for women and minorities. Vice President Remington stated that was correct.

Regent Harris stated the board was not alone in their concern about recruiting qualified women and minorities. He stated that within the past month he read a portion of a letter from the president of the University of Chicago which outlined that they have precisely the same problems in terms of low numbers of women and minorities.

MOTION: Regent Greig moved approval of the University of Iowa 1987-88 promotion and tenure actions as presented. Regent Anderson seconded the motion, and it carried unanimously.

President Freedman introduced Carla Cooper, Director of University of Iowa Relations.

APPOINTMENT. The Board Office recommended that the board approve (1) the waiver of the university's policy of mandatory retirement no later than June 30 following attainment of age 70 for the purpose of permitting the appointment of D. C. Spriestersbach for the 1988 fiscal year; (2) the appointment of D. C. Spriestersbach as Vice President for Educational Development and Research and Dean of the Graduate College for one year beginning July 1, 1987, with a salary as budgeted; and (3) the appointment of Michael Barron as Director of Admissions effective July 1, 1987, at an annual fiscal year salary of \$51,000.

The University of Iowa's current mandatory retirement policy was approved by the board in October 1978. Waiver of that policy was requested in order to approve the reappointment for one year of Vice President and Dean D. C. Spriestersbach.

Because of special circumstances relating to the recent resignations of the President of the university and the Vice President for Finance and University Services and because a successor for Vice President Spriestersbach had not been identified, the university requested a waiver of its mandatory retirement policy for the purpose of reappointing Vice President and Dean Spriestersbach for one year. The university reported that Vice President Spriestersbach had indicated a willingness to continue in office for a year.

Mr. Barron's appointment as Director of Admissions effective July 1, 1987, at an annual fiscal year salary of \$51,000 was in order.

MOTION: Regent Harris moved approval of the recommended actions. Regent Duchon seconded the motion, and it carried unanimously.

MERIT SYSTEM PHASED RETIREMENT. The Board Office recommended that the board approve the phased retirement request for Neva Haman, Dental Dispensary Assistant, effective June 18, 1987.

Ms. Haman proposed to reduce her appointment to 80 percent time for four years and to 50 percent in the fifth year. The university reported that she met the current requirements for eligibility for phased retirement and approval of her request was recommended by the university.

ACTION: President McDonald stated this docket item was approved as part of the consent docket.

CAPITAL MARKETS RESEARCH INSTITUTE. The Board Office recommended receiving the report on the establishment of the Capital Markets Research Institute within the College of Business Administration at the University of Iowa.

Vice President Remington stated he felt the establishment of the Capital Markets Research Institute would create more activity in the area of economic development.

ACTION: President McDonald stated the report on the establishment of the Capital Markets Research Institute was received by general consent.

BUILDING NAME - INTERNATIONAL CENTER. The Board was requested to approve the name change of the Old College of Law Building to the International Center.

MOTION: Regent Anderson moved approval to change the name of the Old College of Law Building to the International Center. Regent Tyler seconded the motion, and it carried unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended approving the capital register from the period February 27 through April 9, 1987.

Discussion of the highlights of the capital register follows:

APPROVAL OF PROGRAM STATEMENTS:

University Hospitals and Clinics--Neuroradiology Procedure Suite

The University Hospitals completed preparation of a program statement on this project which outlined the requirements for a new special procedure radiographic suite. In March, the board authorized the university to proceed with planning on this project.

The Department of Radiology Special Procedures Area is currently located on the sixth floor of the General Hospital. The existing facilities are limited due to their design and location. The Department lacks a central staff working area and the physical layout of the space creates inefficiencies for staff and patients.

The University Hospitals estimated the construction cost for this project would be approximately \$1.1 million. Cost figures will be developed further and refined as project planning proceeds. Funding for the project will be from University Hospital Building Usage Funds.

In addition to approval of the program statement, the university requested approval of the selection of Hansen Lind Meyer, Inc., Iowa City, Iowa, as project architect. The university will proceed to negotiate a contract with

Hansen Lind Meyer for architectural services and will return to the board for approval of the agreement upon completion of negotiations.

PROJECT DESCRIPTIONS AND BUDGETS:

University Hospitals and Clinics--Pediatric Faculty \$440,070
Office Consolidation
Source of Funds: University Hospital Building Usage Funds

This project involves finishing 7,000 square feet of space on the second level of the Colloton Pavilion. This space was previously shelled-in and is located adjacent to the Department of Pediatrics. The project will enable the faculty to be located in offices in close proximity to the Pediatrics Patient Care Units. The university requested approval of Hansen Lind Meyer, Inc., Iowa City, Iowa, as project architect.

University Hospitals and Clinics--Shipping and Receiving Facility
Source of Funds: University Hospitals Building Usage Funds

Original Budget \$3,037,500
Revised Budget \$3,293,522

The university requested approval of the revised budget that would increase the project by \$256,022. The board approved the original budget in September 1986. The budget increase was necessary because of the acceptance of a bid alternate at the time of the construction contract award. The bid alternate accepted with the bid package was to shell-in a third level of the new Shipping and Receiving Facility. The university indicated that the price offered by the low bidder was extremely favorable and cost effective and would enable the university to avoid future disruption. The additional funds are provided from University Hospitals Building Usage Funds.

Biology Greenhouse--Oakdale Campus
Source of Funds: National Science Foundation,
University Building Repairs or
Treasurer's Temporary Investments

Original Budget \$407,600
Revised Budget \$417,600

The university requested approval of the revised budget that would increase the budget by \$10,000. The budget increase was necessary because all bids exceeded the construction budget. The university increased the funds to the project from general university building repairs or treasurer's temporary investments in order to cover the additional cost of the project.

Bowen Science Building--Pathological Incinerator

Source of Funds: General University Building Repairs or
Income from Treasurer's Temporary
Investments

Original Budget \$251,000
Revised Budget \$290,000

The university requested approval of the revised budget that would increase the project budget by \$39,000. The original budget was approved by the board in July 1986. The budget increase was necessary for two reasons. First, in order to accept two highly desirable bid alternates on the purchase of the incinerator equipment. The first bid alternate was for automatic charging, which involves loading equipment, and the second bid alternate was for ash processing equipment. Acceptance of both bid alternates would enable the incinerator equipment to be more functional and operate more efficiently. The second reason requiring the budget increase was the original budget did not include adequate funds to cover planning and administration of the project and did not recognize the extent of preliminary consultant planning services.

CONSULTANT AGREEMENTS:

Laser Laboratory Building

Frank O. Gehry and Associates
Herbert Lewis Kruse Blunck
(Architectural Services)
Kimmel Jensen Wegerer Wray
(Engineering Services)

In February the board authorized the university to initiate planning of a \$25 million laser laboratory building. The board also approved the university's request to proceed with the selection of an architect for this project. Public notices were distributed regarding the university's intent to obtain architectural services to design the Laser Laboratory Building. A screening committee reviewed the proposals received from 31 architectural firms. Six firms were selected for interview. Interviews were held with each of the six firms during the week of March 30. Participating in the interviews were members of the university's architectural selection committee, Regent June Murphy, and Board Office staff.

The recommendation of the Architectural Selection Committee is the selection of Frank O. Gehry and Associates in association with Herbert Lewis Kruse Blunck and Kimmel Jensen Wegerer Wray. Frank O. Gehry and Associates is located in Los Angeles, California. Herbert Lewis Kruse Blunck (formerly Charles Herbert and Associates) is located in Des Moines, Iowa. Kimmel Jensen Wegerer Wray is located in Rock Island, Illinois. Kimmel Jensen

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Wegerer Wray, who will serve as engineering consultants, have satisfactorily provided electrical and mechanical engineering services for the University of Iowa. The firm is presently involved as a member of the design team on the Chemistry-Botany Phase II Remodeling Project.

The university requested permission to negotiate an agreement with the design team. Frank O. Gehry and Associates will serve as principal agent for the project design agreement. The university will return to the board for approval of the agreement once negotiations have been completed.

The university provided illustrations of representative work by Frank O. Gehry and Associates at the board meeting for board members' review.

President Freedman stated thirty-one architects responded to the request for bids. He said Regent Murphy sat in on the bids. President Freedman stated he had done a number of substantial buildings including the American School of Dance, the Aerospace Center in Los Angeles, a computer science building at the University of California and was currently doing the medical building at Yale. President Freedman read several paragraphs from an article written in review of Mr. Gehry's work. He stated the university selected him because of the importance of architecture on a university campus. He expressed a fondness for the old capitol building's architectural design and stated a person could look around the campus and see many beautiful buildings. He said Mr. Gehry is an architect who would give the University of Iowa a distinct building, not just a building that would be functional but would be beautiful as well. He stated the building would be a collaborative effort of Mr. Gehry and a Des Moines firm.

Regent Murphy stated she did not expect to like Mr. Gehry. She said he convinced the committee that he would design a building for the university according to the university's specifications. She stated when he takes on a job he completely immerses himself in it. Regent Murphy passed around a copy of The Smithsonian containing pictures of some of Mr. Gehry's work in it.

Vice President Ellis stated Mr. Gehry would give the University of Iowa something unique. He said the committee initially approached him with some misgivings. They had received illustrations of his work that they were not totally comfortable with. As they got further into his work and heard him speak about his buildings and as he explained why he designed them in the manner that he did, they became more comfortable with him and his work. He stated Mr. Gehry chose the Herbert firm out of Des Moines to work with him. The College of Nursing is the last building on the University of Iowa campus designed by the Herbert firm.

Regent Murphy stated most of the buildings Gehry had designed had not had the price tag of the laser facility.

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Regent Duchen asked what turned Regent Murphy off. Regent Murphy responded that she knew the other firms that were also at the top of the committee's list, and she felt safer entrusting the laser building with them.

Vice President Ellis stated decisions on a firm to contract with are not made entirely on one factor. They checked references on both firms and talked with current clients. He stated he felt Mr. Gehry would be very cooperative and work very closely with the university.

University Hospitals and Clinics--Pediatric Office Consolidation
Hansen Lind Meyer, Inc., Iowa City, Iowa \$24,555

The board was asked to approve the selection of Hansen Lind Meyer, Inc., Iowa City, Iowa, as project architect. The University Architect's office will serve as inspection supervisor.

Indoor Practice Facility Increase \$37,047
Stanley Consultants, Muscatine, Iowa

The university requested approval of Amendment #8 to the design agreement on this project. The amendment is for additional activity and expenses by Stanley Consultants resulting from difficulties with Air Structures International, the contractor for the inflatable structure. Because of problems with Air Structures International, the university negotiated a deduct change order with that firm amounting to \$15,000 just prior to completion of the project.

With approval of this amendment the existing agreement of \$275,830 increases to \$312,877.

Chemistry-Botany Building Remodeling--Phase II Increase \$32,934
CPMI, Inc., Des Moines, Iowa

The university requested approval of Amendment #1 to the professional services agreement with CPMI on this project. The amendment covers additional services provided by the firm, including detailed investigation of existing conditions and facilities and preparation of major drawings. The current drawings available to the university and the consultant were inadequate to convey the information necessary to properly design the remodeling in the Chemistry-Botany Building.

University Hospitals and Clinics--Diagnostic Radiology
Completion Phase

Hansen Lind Meyer, Inc., Iowa City, Iowa

Increase Amendment #4 \$9,250
Increase Amendment #5 \$1,150

The university requested approval of Amendments #4 and #5 to the architectural agreement on this project. The amendments are for additional design services and preparation of extra construction documents by Hansen Lind Meyer.

CONSTRUCTION CONTRACTS:

<u>University Hospitals and Clinics--Shipping and Receiving Facility</u>	<u>\$2,832,600</u>
Mid-America Construction Company of Iowa, Iowa City, Iowa (4 bids received)	
<u>Recreation Building--Structural Repair</u>	<u>\$1,986,000</u>
Merit Construction Company, Cedar Rapids, Iowa (3 bids received)	
<u>Medical Laboratories--Animal Care Remodeling, Fourth Floor, West Wing</u>	<u>\$766,645</u>
Larson Construction Company, Inc., Independence, Iowa (5 bids received)	
<u>Biology Greenhouse--Oakdale Campus</u>	<u>\$349,340</u>
Mid-America Construction Company of Iowa, Iowa City, Iowa (3 bids received)	
<u>University Hospitals and Clinics--First and Second Floor East Wing HVAC System</u>	<u>\$300,486</u>
McComas-Lacina Construction Company, Inc., Iowa City, Iowa (2 bids received)	
<u>Hawkeye Drive Apartments--Domestic Water Piping Replacement--Phase II</u>	<u>\$233,311</u>
AAA Mechanical Contractors, Inc., Iowa City, Iowa (2 bids received)	
<u>Westlawn Counseling Service Remodeling Third Floor South</u>	<u>\$214,874</u>
McComas-Lacina Construction Company, Iowa City, Iowa (2 bids received)	

CHANGE ORDERS TO CONSTRUCTION CONTRACTS:

Human Biology Research Facility--Phase II Increase \$68,085
Mid-America Construction Company of Iowa, Iowa City, Iowa

Contract Change Order #G-4 provided for additional cost associated with a time extension of 40 working days for Mid-America Construction Company. The time extension was necessary because of delays to Mid-America Construction Company resulting from the mislocation of the caissons by the foundation contractor.

In December 1986, the board approved a change order to Mid-America to cover the costs associated with the redesign of the grade beams resulting from the mislocation of the caissons. At that time, the university indicated that a future change order would be presented for the time delay experienced by Mid-America. The board was asked to approve the change order covering the costs and time delay resulting from the redesign of the grade beams.

The university withheld funds from McComas-Lacina, the foundation contractor. Approximately \$42,000 was withheld from the final payment to McComas-Lacina.

With approval of the change order, the new construction completion date for the general construction contractor is May 25, 1988.

Regent Tyler asked about the difference in the dollar amounts of the misplaced change order and the amount being withheld. Mr. Richey stated the history related to that was that the legislature dropped mandatory 10 percent retainage down to 5 percent.

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS:

The university reported acceptance of one construction contract. Inspection found that the contractor complied with the plans and specifications. The university recommended that the work be accepted as complete. The project is the Engineering Building--Third Floor Remodeling. The contract is the electrical contract which was with Meisner Electric, Inc., Iowa City, Iowa.

FINAL REPORTS:

The university submitted final reports on four completed capital projects. The university identified on the register the final accounting of the funding for these four projects. The final reports were in order and acceptance was recommended.

SEMI-ANNUAL STATUS REPORT ON CAPITAL PROJECTS:

This month the university presented a status report on all on-going capital projects with budgets over \$250,000. The university reported that 33 capital projects with a combined budget of \$71 million were presently underway.

MOTION: Regent Tyler moved approval of the Register of Capital Improvement Business Transactions. Regent Greig seconded the motion, and it carried unanimously.

EXECUTIVE SESSION. President McDonald requested that the Board enter into closed session pursuant to the Code of Iowa section 21.5(1)(c) to discuss a matter with counsel which is either in litigation or where litigation is imminent, pursuant to 21.5(1)(j) to discuss the purchase of real estate where disclosure could reasonably be expected to increase the price for the property, pursuant to 21.5(1)(i) to conduct a person's performance and the person has asked that the board meet in closed session, and pursuant to 20.16(3) to conduct a strategy session of a public employer.

MOTION: Regent Duchen moved that the board enter into executive session. Regent Tyler seconded the motion; and upon the roll being called, the following voted:
AYE: Anderson, Duchen, Greig, Harris, McDonald, Murphy, Tyler, VanEkeren, VanGilst.
NAY: None.
ABSENT: None.

The board having voted by at least two-thirds majority resolved to meet in executive session beginning at 3:25 p.m. on April 22, 1987, and arose therefrom at 5:30 p.m. on that same date. President McDonald stated no further public business would be conducted until the board reconvened in open session at 10 a.m. on April 23.

The following business was transacted on April 23, 1987.

ACQUISITION OF PROPERTY. The Board Office made the following recommendations:

1. Authorize the purchase of property at 122, 124 and 126 Church Street, Iowa City, Iowa, from the Lutheran Campus Council at a price of \$275,000 subject to Executive Council Approval.
2. Waive the right of repurchase of the property at the corner of Market and Clinton Streets to permit the sale to the Lutheran Campus Council.

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3. Approve the modification of the 1977 district court Stipulation of Settlement of the ownership of Old Brick to provide that should the Board of Regents exercise the repurchase option in the future the repurchase price would be \$200,000.

In 1974 the Board of Regents purchased a former church structure commonly referred to as Old Brick from the First Presbyterian Church of Iowa City. The church structure is at the corner of Market and Clinton Streets. The property is bounded on three sides by university property. The university initiated the purchase of the property in 1974 because no other identified buyers would use the structure as a church or preserve it as an historical building.

The university did not take possession of the property and as a result of protracted legal action a court settlement was reached in 1976. The conditions of the settlement, which were approved by the board in 1977, allowed the property to be sold to a not-for-profit organization, Old Brick Associates. The sale price was \$140,000. This was the same price that the university offered to pay in 1974. As a condition of the sale, the board reserved the right to repurchase the property.

Old Brick Associates has now decided to sell the property. The Lutheran Campus Ministries and the Episcopal Chaplaincy have offered to purchase the property from Old Brick Associates. The offer to purchase Old Brick has been accepted by the current owners of Old Brick. The offer is contingent on two conditions:

1. The Board of Regents must waive its right to repurchase the Old Brick property.
2. The Lutheran Campus Council must be able to sell to the university a different parcel located on Church Street.

The Church Street property is four lots located on the north side of campus. The Church Street property extends from the university's residence for the president east along Church Street to the corner of Dubuque Street.

The university requested permission to purchase the parcel of land on Church Street adjacent to the university's residence for the president. The parcel consists of four contiguous lots and contains two large old frame houses. The property is within the university's campus acquisition plan. The property would be used to provide additional appropriate outdoor space and adequate parking for functions scheduled at the university's residence for the president.

The university briefed the board of its desire to purchase the Church Street property and the relationship with Old Brick at the March board meeting.

Negotiations have been completed and the university is requesting permission to purchase the property for \$275,000. Two appraisals of the property were obtained in 1984. The appraisals were updated in 1986. The revised appraisals indicate the appraised value of the property at \$308,100 and \$334,000, reflecting an average appraised value of \$321,050. The negotiated purchase price is \$46,050 below the average of the two appraisals. This is well within the Regents guideline for purchase of property.

The university indicated the funds for purchase include \$150,000 from the University of Iowa Foundation, \$75,000 from Treasurer's Temporary Investment and \$50,000 parking operation reserves.

MOTION:

Regent Harris moved the board approve the actions as follows: (1) Authorize the purchase of property at 122, 124 and 126 Church Street, Iowa City, Iowa, from the Lutheran Campus Council at a price of \$275,000 subject to Executive Council approval. (2) Waive the right of repurchase of the property at the corner of Market and Clinton Streets to permit the sale to the Lutheran Campus Council. (3) Approve the modification of the 1977 district court Stipulation of Settlement of the ownership of Old Brick to provide that should the Board of Regents exercise the repurchase option in the future the repurchase price would be \$200,000. Regent Murphy seconded the motion, and upon the roll being called, the following voted:
AYE: Anderson, Duchen, Greig, Harris, Murphy, Tyler, VanEkeren, VanGilst.
NAY: None.
ABSTAIN: McDonald.

RESOLUTION FOR ACQUISITION OF PROPERTY. The Board Office recommended that the board adopt a resolution approving the financing for the Breese Auto Parts Property, authorizing the execution and delivery of a lease with the University of Iowa Facilities Corporation and related matters.

The board approved the acquisition plan for the property and a lease arrangement with the University of Iowa Facilities Corporation. The State Executive Council authorized the purchase of the property in June 1986.

The University of Iowa Facilities Corporation entered into an exchange agreement which would result in the acquisition of the property for agreed to price of \$515,000. Financing of the acquisition would be provided through the issuance of a five year, 6.5 percent promissory note to the First

National Bank of Iowa City. The note would be secured by a mortgage on the property and would be payable in quarterly installments of interest and principal computed on a ten-year amortization schedule with the balance due and payable in full within five years.

June Davis, Assistant to Vice President Ellis, stated the university would pay the Facilities Corporation rent adequate for payment of interest and principal on the promissory note and any property acquisition expenses incurred by the Facilities Corporation. Ms. Davis stated they would like to transfer the title on May 1.

MOTION: Regent Greig moved that the board adopt a resolution approving the financing for the Breese Auto Parts Property, authorizing the execution and delivery of a lease with the University of Iowa Facilities Corporation and related matters. Miss VanEkeren seconded the motion, and upon the roll being called the following voted:
AYE: Anderson, Duchen, Greig, Harris, McDonald, Murphy, Tyler, VanEkeren, VanGilst.
NAY: None.

OAKDALE POWER PLANT LITIGATION SETTLEMENT PROPOSAL. The Board Office recommended (1) that the board hear the presentation of Special Assistant General Charles Traw, (2) that relative to the Oakdale power plant particulate emission control system (bag house) litigation the board make dispositions as follows:

- a. Receive \$14,427 in full settlement of its claims against Enviro Systems and Research, Inc., and its successors and their bonding companies, and
- b. Dismiss with prejudice its claims against the parties identified in (a) above, provided that Enviro Systems and Research, Inc., dismisses with prejudice all counterclaims.

In January 1982 the board filed suit against Enviro Systems and Research, Inc., because the particulate emission control system (bag house) they constructed at the university's Oakdale power plant did not meet specifications for performance. Competitive bids had been received based on specifications in 1977. The system was placed in operation in 1978. After analysis by Stanley Engineering, modifications were made to the system by Enviro Systems. The modifications did not result in the system being able to handle the particulate emission problem that it had been intended to correct. The university made additional demands to Enviro Systems, and they did not respond.

Enviro Systems raised as a defense the accuracy of the specifications developed by Stanley Engineering. Enviro Systems claimed these faulty specifications had been essential in their bid development.

At this time it is the opinion of the university and its counsel that it is in the best interests of the university for the board to resolve this matter through acceptance of the settlement.

MOTION: Regent Tyler moved that the board (a) Receive \$14,427 in full settlement of its claims against Enviro Systems and Research, Inc., and its successors and their bonding companies, and (b) Dismiss with prejudice its claims against the parties identified in (a) above, provided that Enviro Systems and Research, Inc., dismisses with prejudice all counterclaims. Regent Harris seconded the motion, and it passed unanimously.

FARM LEASES. The Board Office recommended that the board approve leases for the benefit of the State University of Iowa between the board's farm manager, Merchants National Bank, Cedar Rapids, and tenants, as follows:

- a) HAWKEYE AREA FARM to Tom Williams (renewal), approximately 213.5 acres of net farm land and a machine shed for the period March 1, 1987, to February 29, 1988, for a cash rent of \$17,779, and
- b) OAKDALE AREA FARM to Leslie and Leland Cole (renewal), approximately 272 acres of net farm land for the period March 1, 1987, to February 29, 1988, for a cash rent of \$20,949.

Each of these leases is recommended by the university and the board's farm manager, Merchants National Bank, Cedar Rapids, with whom the board contracted for farm management services in January 1987.

In each of the leases the rent will be paid in two equal installments with the last installment on December 1, 1987. The first installment on the Hawkeye Farm is March 1, 1987, and on the Oakdale Farm, July 1, 1987. The tenants will pay all costs including operations, seed, fertilizer, lime and chemicals, and will provide a copy of soil test recommendations and will provide receipts indicating actual fertilizer, lime, and tract minerals applied, and will comply with the cropping plan set forth by the farm manager.

The income from each of the leases is less than was achieved last year. Last year the Hawkeye Farm (a) was rented for \$18,370; this year's rent of \$17,779 represents a decrease of 3.2 percent. This results from a net decrease in the tillable land available from 225 acres last year to 213.5 acres this year. The

rate per acre is nearly constant. Last year the Oakdale Farm (b) rented for \$20,325; this year's rent of \$29,949 represents an increase in income of 3.10 percent. This increase results in part from an increase in the net tillable acres from 267 to 272. The rate per acre is nearly constant.

The net per acre rent of \$83.27 at the Hawkeye Farm (a) and \$76.91 at Oakdale Farm (b) results from the portion of land at each farm which can be planted in row crops and the portion which is producing hay and being used as pasture.

Because the university and the farm manager were well satisfied with the tenants at the farms and as the tenants desired to continue to rent the farm at a rent consistent with the current market value of rents, the farms were not put out for bid to secure the proposed lease.

MOTION:

Regent Tyler moved that the board approve leases for the benefit of the State University of Iowa between the board's farm manager, Merchants National Bank, Cedar Rapids, and tenants, as follows: (a) HAWKEYE AREA FARM to Tom Williams (renewal), approximately 213.5 acres of net farm land and a machine shed for the period March 1, 1987, to February 29, 1988, for a cash rent of \$17,779, and (b) OAKDALE AREA FARM to Leslie and Leland Cole (renewal), approximately 272 acres of net farm land for the period March 1, 1987, to February 29, 1988, for a cash rent of \$20,949. Regent VanEkeren seconded the motion, and upon the roll being called the following voted:
AYE: Anderson, Duchon, Greig, Harris, McDonald, Murphy, Tyler, VanEkeren, VanGilst.
NAY: None.

President McDonald then asked the board members and institutional executives if there were additional matters for discussion concerning the University of Iowa. There were none.

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, April 22 and Thursday, April 23, 1987.

SPECIAL STUDENT FEE ALLOCATIONS. The Board Office recommended approval of the university's proposed schedule of student activity fees for 1987-88.

Iowa State University reported that its proposals for increases in student activity fees have been extensively discussed and negotiated with the student government. The total increase proposed in student activity fees was 5.9 percent. The university noted that this was substantially less than the 12.5 percent increase approved in the annual tuition rate for undergraduate resident students. The amount of the student activity fee was the same for all students (resident, nonresident, undergraduate, graduate and professional).

The following table summarizes by category Iowa State University's student activity fees for the last three year and those proposed for the next fiscal year.

<u>Support Category</u>	<u>Annual Fees</u>			
	<u>1984-85</u>	<u>1985-86</u>	<u>1986-87</u>	<u>1987-88(Proposed)</u>
Student Activities	\$ 56.05	\$ 56.05	\$ 58.14	\$ 59.56
Student Services*	43.10	45.60	47.50	51.10
Debt Service	27.00	27.00	28.00	28.00
Building Development**	<u>7.50</u>	<u>11.65</u>	<u>12.00</u>	<u>15.64</u>
TOTAL	\$133.65	\$140.30	\$145.64	\$154.30

*Memorial Union operations and Cy-Ride operations

**Recreation Facility Reserve

The activity fee increases proposed were reported to be in response to specific programmatic needs and concerns expressed by the students. Almost 50 percent of the proposed student activity fee increase was to help support

the Recreation Facility building program authorized by the board at its March meeting.

Student activity fees at Iowa State University in 1986-87 accounted for \$145.64 of the total annual undergraduate resident tuition of \$1,390 (10.5 percent). With the increases proposed, student activity fees would be \$154.30 of the total annual undergraduate resident tuition of \$1,564 (9.9 percent) in 1987-88. The portion of tuition going to the general fund would increase from \$1,244.36 (89.5 percent) to \$1,409.70 (90.1 percent) for undergraduate resident students. However, the increase proposed in the student activity fee for next year produced a reduction in tuition revenue available for faculty salary and student financial aid increases.

The university reported that the proposed student activity fees reflected student and administrative priorities for the next fiscal year. The fee income proposed for the Recreation Facility Reserve was consistent with the financing proposal approved by the board last month. However, increases in student activity fee allocations do reduce the tuition revenues available for student financial aid and faculty salary increases.

The fees are outlined on the following page:

Iowa State University
Proposed Special Student Fees
1987-88

IOWA STATE UNIVERSITY
April 22-23, 1987

	1986-87 Per Semester Fee	Increase	Proposed 1987-88 Per Semester Fee
Undergraduate Resident Tuition	695.00	87.00	782.00 (12.5%)
Special Student Fees			
Debt Service			
Memorial Union	3.50	0	3.50
Hilton Coliseum	10.50	0	10.50
	14.00		14.00
Special Purpose Fees			
Memorial Union Operation	13.90	1.00 (7.2%)	14.90 (1)
Student Union Board Space Remodeling	.25	.50 (200%)	.75 (2)
Intercollegiate Athletics	9.75	0	9.75
	23.90	1.50	25.40
Student Activities			
Recreation	4.40	0	4.40
GSB	14.27	.71 (5%)	14.98 (3)
United Students of Iowa	.65	0	.65
	19.32	.71	20.03
Recreation Facility Reserve	6.00	1.82 (30%)	7.82 (4)
City-University Transit System	9.60	.30 (3.1%)	9.90 (5)
Total Special Student Fee			
	72.82	4.33 (5.9%)	77.15 (5.9%)
Portion of Fee to General Fund	622.18		704.85 (13.3%)

- (1) Operating costs of the memorial union for salary increase, insurance and a reduction in enrollment will increase operating costs by more than \$144,000/year.
- (2) GSB is proposing to increase support for specific renovations and remodeling of student office space in the Memorial Union.
- (3) Provides for inflationary price increases and increased demand for social service programs receiving less federal funding from revenue sharing.
- (4) The Board has authorized proceeding with the planning of a recreation facility.
- (5) To maintain and expand bus services to students.

Vice President Madden stated they had come to a slightly different conclusion than the University of Iowa based on a different set of organizational arrangements at Iowa State University and institutional priorities. He stated they have gone over the student activities fees with the students, and the recommendations had the concurrence of the student government and the administration. He said one of the major organizational differences at Iowa State University was that the Memorial Union was a separate corporation. The union employees were not in the general university salary base. He stated the second major area where there was any significant increase was the proposed recreational facility reserve. He said that, in order to meet the debt service costs for the recreational facility, they had to increase the fees. The student government also concurred. He stated the third area involved the city/university transit system. He said the adjustment in that area was necessary to maintain the level of service. He stated student government was going to have the same problems as the rest of the university.

Brian Kennedy, speaking on behalf of the student body at Iowa State University, stated the student fee committee was working well. He said the university's proposal reflected the students' input was presented with the students' support.

MOTION: Regent Anderson moved approval of the recommended action regarding student fee allocations. Regent VanEkeren seconded the motion, and it carried unanimously.

SOUTH AFRICAN SCHOLARSHIP TUITION WAIVER REQUEST. The Board Office recommended denying the request from the Ames Coalition Against Apartheid to waive non-resident tuition and fees for one black South African student attending Iowa State University under the black South African Scholarship Fund that has been established.

Gary Huber and Janet Froeling, representatives of the Ames Coalition Against Apartheid, stated they were asking for the Regents to waive the portion of the tuition established for non-residents, and they were asking for it only on that one scholarship. Ms. Froley stated that the money they have raised came from 136 people from Iowa including ISU student groups. She stated the scholarship would cover tuition and fees, and room and board.

Regent Harris asked whether the third student would come this fall. Ms. Froeling responded that the student would be coming to the university in the fall, if the money was available.

Regent Harris asked whether the source of the money raised so far for the other two scholarships had come from throughout the state. Ms. Froeling stated it was from the university community and a direct grant from the GSB.

Regent Harris stated he was in agreement with the recommendation from the Board Office for the reason cited. He said it seemed to him the \$12,000 needed could be raised. He stated he felt a statewide effort could bring the money in.

Mr. Huber stated the selection committee in New York was hesitant to name another student without the money in hand. He stated they had contacted the members of the General Assembly.

Regent Anderson asked the status of the payroll deduction at the university. Mr. Huber responded they were getting about \$338 per month with some of the deductions coming from employees with ten-month appointments.

Regent Anderson asked how many people were involved in the payroll deduction. Mr. Huber stated there were about 30 people.

Regent Anderson suggested soliciting the headquarters of the churches with offices in Iowa. She said she did not think the board could make an exception in this case, but the board was very supportive of what the group was trying to do and would support any appeal to other groups.

Regent Duchen asked about the contractual relationship between the university and the students sponsored under this program.

Vice President Madden stated, when the issue of divestiture was raised along with the general issues, the university appointed a committee to study the university's investment policy and practices as a result of that effort. He said they had come to closure on the investment issues. The committee's recommendations included other issues, and one was to encourage students to come to Iowa State University from South Africa, and a method of encouragement would be establishment of a scholarship program. As part of that recommendation, the administration agreed to commit a portion of the scholarship funds to match tuition and fees for up to three students. He said the goal was to do more than three students as sufficient funds were raised.

Regent Duchen asked the scholarships could not support a third student.

Vice President Madden stated they felt they wanted a commitment from the university community, and the objective was that additional financial support come from outside of the general university financial structure.

Regent Duchen stated he would like to see a third student taken care of.

MOTION: Regent Harris moved approval of the recommendation regarding the South African scholarship tuition waiver request. Regent Tyler seconded the motion, and it carried unanimously.

REGISTER OF PERSONNEL CHANGES FOR MARCH 1987. The Board Office recommended approving the Register of Personnel Changes for March 1987 and the two requests for phased retirement as follows:

Lois M. McVicker, Secretary II, proposed to reduce to 80 percent time effective May 1, 1987, and will retire December 1, 1987. The university noted unused funds (approximately \$1,920) as a result of this action would be used to hire an hourly person to fill in the time Ms. McVicker is not working.

William F. Riley, Distinguished Professor, proposed to reduce to 50 percent time effective July 1, 1987, and plans to retire on or before June 30, 1992. Dr. Riley will continue teaching each fall semester. He proposed to use accrued vacation to cover the period between July 1 and the beginning of fall semester. Unused funds as a result of this action (approximately \$32,785 for the first year) will be used as partial support of a graduate teaching assistant, and the remainder will be used for the budget reduction as requested by the university.

Both employees requesting entrance into the phased retirement program met eligibility requirements and approval was recommended.

ACTION: The report of personnel changes for March 1987 and the phased retirement requests outlined above were approved as a part of the consent docket.

APPROVAL OF PROMOTION AND TENURE ACTIONS. The Board Office recommended approval of the 1987-88 promotion and tenure actions as presented by Iowa State University.

MOTION: Regent Greig moved approval of the promotion and tenure action for 1987-88. Regent VanGilst seconded the motion, and it carried unanimously.

APPROVAL OF ADMINISTRATIVE APPOINTMENT. The Board Office recommended approval of the appointment of Frank J. Rizzo as Tenured Professor and Chair, Engineering Science and Mechanics Department, College of Engineering,

effective July 1, 1987, through June 30, 1992, at an annual salary of \$75,000.

ACTION: The appointment of Frank J. Rizzo was approved as a part of the consent docket.

ACCEPTANCE OF INTERNATIONAL EXCHANGE PROGRAMS REPORT. The Board Office recommended receiving the report on the participation levels and financing of International Exchange Programs and Agreements at Iowa State University, 1986-87.

Earlier this year the board heard a report on the international agreements at each of the three Regent universities as required by board policy. A question was raised at the time regarding the costs involved in the Iowa State University International Agreements. This report was prepared by the university to provide background information regarding the costs involved with each of the 1986-87 International Agreements. The university reported that "student tuition fees, faculty time donated beyond regular duties, development agency contracts and grants from the Iowa State University Alumni Association account for virtually all of the expenditures related to the 54 International Agreements reported to the board this year". Allocations at Iowa State University amounting to \$3,700 for Study Abroad Programs were the only state funds specifically budgeted in these international agreements.

ACTION: The International Exchange Programs report was received by general consent of the board.

APPROVAL OF COLLEGE NAME CHANGE. The Board Office recommended (1) approval of the request to change the name of the College of Home Economics to the College of Family and Consumer Sciences at Iowa State University, and (2) authorize the university to make other necessary and appropriate name changes to implement fully this change.

At the February board meeting, the board requested that Iowa State University present suggested name changes for the College of Home Economics at the April board meeting. The university went through a consensus process for identifying a new name for the college. The result of the suggestions from faculty, and a preference poll concluded with the new name "College of Family and Consumer Sciences." It was hoped that this new name would enhance opportunities for greater fulfillment of the college's mission.

There are a number of related name changes for departments and programs within the college that will need to be made to implement fully this action. It was requested that authorization to change names as appropriate so long as the changes do not involve programmatic changes that would need specific board approval.

President Eaton stated that in February the board requested the name change for the College of Home Economics. He said he took the issue back to the campus and extensively surveyed the components of the college. He stated there was a rather rapid convergence on the recommended name. He stated he was concerned that this issue might have been a political hot potato; however, he received only one letter.

Regent Anderson stated she also received one letter.

President McDonald stated he received two or three letters.

President Eaton stated the name they came forward with probably does as good a job of explaining the college as any of the other names they considered.

Regent Duchen asked how a young person choosing a career and interested in this type of study would understand where to look and how to look for this program.

President Eaton responded that it was a matter of marketing. He said this was not a name that was new to colleges. He stated the college and the degree speaks to it also. President Eaton added that he was delighted with the acceptance by the students and the faculty.

Regent Anderson stated one criticism of the name for the college was that other colleges around the country would have different names for colleges that do the same thing.

MOTION: Regent Anderson moved acceptance and approval of the name change for the College of Home Economics at Iowa State University. Regent Greig seconded the motion, and it carried unanimously.

Regent Anderson stated she would like to send to Dean Deacon the board's deep appreciation for her efforts in the name change.

REGISTER OF CAPITAL IMPROVEMENTS BUSINESS TRANSACTIONS. The Board Office recommended approval of the Iowa State University capital register for the period of March 13 through April 23, 1987.

Discussion of the highlights of the capital register follows:

PROJECT DESCRIPTIONS AND BUDGETS:

<u>Veterinary Medicine--Remodeling for Racing</u>	Original Budget	<u>\$160,000</u>
<u>Chemistry Laboratories</u>	Revised Budget	<u>\$175,710</u>
Source of Funds: Racing Chemistry Fund		

This project involves remodeling laboratory space in the Veterinary Medicine Building for a chemical testing laboratory. The project was undertaken as part of a contract with the State Racing Commission.

The board approved an initial budget of \$160,000 in October 1986. The budget must be revised because bids were received on February 26, 1987, and all bids exceeded the construction budget. The additional funding would be provided by the grant. The revised budget of \$175,710 would permit the university to proceed with the project.

Recreation/Athletic Facility

Source of Funds: Special Student Activity Fees and
Intercollegiate Athletic Funds

Original Budget \$13,500,000
Revised Budget \$13,000,000

This project involves construction of a 200,000 gross square foot facility. The project would provide needed indoor activity space for student recreation and intercollegiate athletics.

Last month, the board approved the project and a budget of \$13,500,000. The university submitted a revised budget reducing the project cost to \$13,000,000. The project budget was revised because a portion of the project needed to be established as a separate project. The renovation of 16 tennis courts near Beyer Hall was initially part of the Recreation/Athletic Facility Project. The renovation of tennis courts was reported as a separate project in this month's capital register. In addition, the movable equipment line of the Recreation/Athletic Facility budget had been reduced by \$120,000.

Beyer Hall--Tennis Courts

\$380,000

Source of Funds: Special Student Activity Fees

This project involves construction of 16 new tennis courts to be located near Beyer Hall. As discussed above, the construction of the tennis courts was initially part of the Recreation/Athletic Facility approved in March 1987. In order to proceed with the construction of the tennis courts this spring, the university separated this work from the Recreation/Athletic Facility project and established it as a separate project.

In March the board approved an agreement with Engineering Plus of Ames, Iowa, for engineering services for the tennis court portion of the Recreation/Athletic Facility project. The Engineering Plus contract would now be assigned to the Beyer Hall--Tennis Courts project.

Agricultural Experiment Station--Raze Building

\$5,000

Source of Funds: Agricultural Experiment Station
Building Repairs

The university requested approval of a project to demolish a wood frame grain elevator located on the Woodruff farm. The university indicated that the structure unused and was in deteriorated condition. A portion of the demolition work would be accomplished by the university staff. The remaining work would be undertaken through competitive bids. Usable materials would be salvaged and sold in order to offset the demolition cost. The estimated cost of the project is \$5,000. Source of funds for the demolition work and restoring the site is Agricultural Experiment Station Building Repair budget.

Alumni Hall--General Remodeling Amended Budget \$3,200,000
Source of Funds: Income from Treasurer's
Temporary Investments

This project involves remodeling a major portion of Alumni Hall to accommodate student service departments. A construction contract on this project was presented to the board for action.

CONSULTANT AGREEMENTS:

Recreation/Athletic Facility \$63,000
John Hart, Inc., Des Moines, Iowa
(Cost Consulting Services)

This agreement involves cost consulting services for the Recreation/Athletic Facility. Last month, the university reported that a cost consulting agreement was being negotiated with John Hart, Inc., of Des Moines, Iowa. Negotiations on that agreement have now been completed and the university reported an agreement with a fixed maximum of \$63,000. The university noted that the Hart firm was a certified Iowa Targeted Small Business.

Molecular Biology Building \$650,000
Hansen Lind Meyer, Iowa City, Iowa
(Architectural Services)
Stanley Consultants, Muscatine, Iowa
(Engineering Services)

The university requested the board approve the selection of Hansen Lind Meyer of Iowa City in association with Stanley Consultants of Muscatine to provide architectural and engineering services. In February the board authorized the university to proceed with planning for a \$37,500,000 project to construct a Molecular Biology Building. At the same time, the board authorized the university to initiate the selection process for design consultants for the project. The university publicly advertised its intent to receive proposals for design services on the project. Fifteen firms responded to the announcement and as a result of preliminary evaluation by the university staff, five firms were interviewed.

The interviews took place on March 18 and 19. In addition to university staff, Regent June Murphy and staff of the Board Office participated in the interviews. As a result of the interviews, the university recommended the appointment of Hansen Lind Meyer of Iowa City, Iowa, in association with Stanley Consultants of Muscatine.

Regent Murphy stated she was present at the hearings for the selection of an architect for the molecular biology building, and she felt very comfortable with the way the selection committee worked.

President Eaton stated he was quite impressed with the selection process. He said they ended up with five finalists, and he felt there were two to three among those five that could do a good job. President Eaton added that the selected bidder gave an enormously effective presentation.

Regent Murphy stated the selected bidder had a fine design as well as strong programming.

President McDonald stated it was uncommon to have that kind of unanimity on a project.

Regent Tyler stated the Molecular Biology Building would cost \$37.5 million. He noted the building was approximately 240,000 square feet which is about \$150 per square foot. He stated he assumed a portion of the cost was fixed equipment. He asked how much of the estimate was for fixed equipment.

Vice President Madden responded that in the preliminary planning they anticipated approximately 5 percent of the budget would be set aside for movable equipment. In the initial meetings they were using a 5 percent figure for equipment. He indicated the net to gross square foot ratio would be around the 55-60 percent level. He said the planning had not proceeded far enough to be able to finalize the figures. He said design services, landscaping, and relocation of some facilities were also included in the cost estimate. He stated he would guess the actual cost of the building per square foot would be around \$112.

An agreement was negotiated for the initial design phase of professional services. This phase includes programming and design through the schematic design. Compensation is on an hourly rate with a fixed maximum of \$650,000.

Science Hall--Remodeling for Laboratories \$62,000
Rietz Engineering Consultants, Ames, Iowa
(Engineering Services)

This project involves remodeling 8,000 square feet of laboratory space in the Science Building for the Microbiology Department. The agreement was for design and consulting services through the construction phase. Source of

funds for the project is building repair funds or income from treasurer's temporary investment.

CONSTRUCTION CONTRACTS:

Alumni Hall--General Remodeling \$2,363,201
Award to: Badding Construction Company, Carroll, Iowa
(8 bids received)

Because all bids exceeded the project budget, the university considered rejecting all bids and re-bidding the project at a later date. Rather than reject the bids or increase the project budget, the university entered into negotiations with the low bidder, Badding Construction Company. The university negotiated a reduction of \$70,799.05 with Badding Construction that deleted several equipment items from the project budget. This enabled the university to stay within the approved project budget of \$3.2 million.

The project architect, Herbert Lewis Kruse and Blunck, participated with the university in negotiating with Badding Construction. The architect compared Badding's prices for each of the reduction items with prices of a construction cost report published by Stecker-Harmsen Construction Services Company. The architect indicated that the prices negotiated with Badding Construction compared favorably with the prices in the cost report. The architect concluded that the credits contained in Badding's negotiated proposal were fair to the university and represented prices which could be expected from a competitively bid situation.

The university requested acceptance of Badding's negotiated construction proposal. After review of the information provided by the university, the Board Office concurred in the recommendation to accept Badding's construction proposal of \$2,363,201. Acceptance of the negotiated bid would enable the university to proceed with the project within the approved project budget.

Veterinary Medicine--Remodeling for Racing Chemistry Laboratories \$136,750
Grundman-Hicks Construction Company, Inc., Cherokee, Iowa
(7 bids received)

This project involves remodeling the laboratory in the Veterinary Medicine Building to conduct chemical testing related to horse racing. The project is funded by a grant.

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS:

The university reported completion of one construction contract on the Agronomy Addition and Remodeling project. The contract is the Additional Asbestos Removal. The work was accomplished by ARC Contractors, Inc., of Brooklyn Park, Minnesota. Inspection of the work on the contract found that the contractor

complied with the plans and specifications. The university recommended that the work be accepted as complete.

SEMI-ANNUAL STATUS REPORT ON CAPITAL PROJECTS:

Iowa State University presented its status report on all on-going capital projects with budgets over \$250,000. The university reported 23 capital projects with a combined budget of \$143 million presently underway. The projects include remodeling of Gilman Hall, the addition to the Meats Laboratory for the Meat Irradiation Technology Center, construction of a new Recreation/Athletic Facility, replacement of two steam generators in the university power plant, and the addition and remodeling of the Agronomy Building.

MOTION: Regent Harris moved approval of the Iowa State University Capital Register. Regent Duchen seconded the motion, and it carried unanimously.

IOWA STATE INNOVATION SYSTEM - AM CERAM. The Board Office recommended that the board approve a lease with AM CERAM for their use of approximately 866 square feet of space in the university's Iowa State Innovation System Center (ISIS), in the room commonly known as 108, for 12 months, commencing April 1, 1987, at a rent of \$4,329.96 for the term with renewal by mutual consent for six month intervals commencing April 1, 1988.

The university reported that AM CERAM met its requirements for such a business enterprise to receive the university's help at ISIS.

Vice President Madden stated the university was very pleased to have another firm willing to work within the incubator structure. He stated two firms have left the incubator now. These firms become established while participating in the incubator and then go out into other areas within the state and establish their businesses.

MOTION: Regent Duchen moved that the board approve a lease with AM CERAM for their use of approximately 866 square feet of space in the university's Iowa State Innovation System Center (ISIS), in the room commonly known as 108, for 12 months, commencing April 1, 1987, at a rent of \$4,329.96 for the term with renewal by mutual consent for six month intervals commencing April 1, 1988. Regent Harris seconded the motion, and upon the roll being called the following voted:

IOWA STATE UNIVERSITY
April 22-23, 1987

AYE: Anderson, Duchen, Greig, Harris,
McDonald, Murphy, Tyler, VanEkeren, VanGilst.
NAY: None.

NATIONAL TECHNOLOGICAL UNIVERSITY LEASE AGREEMENT. The Board Office recommended that the board ratify the lease agreement between the National Technological University (NTU) and Iowa State University for NTU's use of space on the ISU antenna farm identified in the lease, for a period of ten years commencing 30 days following approval of NTU's National Telecommunications and Information Grant, with consideration for the lease being an exchange of services.

In 1985 the university joined a consortium known as the National Technical University, hereinafter NTU. NTU currently has twenty-one universities participating in the consortium, including a number of Big Eight, Big Ten, and other public institutions throughout the country. NTU is a non-profit corporation established in Colorado in 1984. Its exclusive mission is to serve the advanced educational needs of graduate engineers and technical professionals in the United States and to award masters degrees in engineering. NTU draws upon approved course offerings from the institutions in the consortium. NTU has Ku-band uplink transmitters at fourteen of the twenty-one consortium members for this purpose. The uplink provides live one-way video and two-way audio of courses at the institutions. Institutions providing classes in this manner receive tuition for the enrollments.

The lease provided that NTU would supply and own the satellite earth station at the university. The station equipment would be delivered to the university which would be responsible for transporting it to the location of installation. The installation would be completed by NTU at university space made ready for the installation by the university. The university would be liable for damage to the equipment while it is in the university's possession and would be liable for damages that may result from installation of the equipment. NTU would secure all licenses for operation of the equipment and would pay the costs of satellite transponder fees for programming scheduled by NTU. In return the university may use the equipment for its own purposes when it is not used by NTU subject to the rights of the National Telecommunications and Information Administration or other applicable federal agencies to inspect, maintain, operate, or remove the equipment. The university would provide utility and janitorial services to the premises of the satellite uplink station. The NTU would be responsible for insurance for the equipment.

The lease would go into effect 30 days after the NTU receives the grant for which it has applied to provide the satellite uplink. At lease termination, the NTU has the right to remove all equipment it has installed. It was noted that the university's memo said that NTU intends to donate the equipment to the university sometime in the next five years. While the donation would undoubtedly be welcome, the lease does not appear to contemplate the donation.

The university reported that NTU informed it in late March that this lease had to be returned by April 10 as a part of the NTU grant application. While the Board Office was mindful of the university's need to act on the lease, it was also concerned that the university did not avail itself of the opportunity to consult with the board president and the board's executive secretary to secure administrative approval of the lease before completing it. This lease was not routine and created obligations which last for ten years. The lease was not in the standard format required for such leases by the board; they are to be between the board for the benefit of the university and the tenant. The lease also placed a rather great burden of liability for equipment and facilities on the university. The Board Office encouraged, as strongly as possible, the university henceforth to submit leases which must be entered before board approval to the board president and the board's executive secretary for administrative approval pending board action.

Vice President Madden stated this was a request by NTU to install a satellite dish on the campus for transmitting educational courses. Iowa State University was pleased to be a part of that focus. He stated the courses would be primarily in the areas of engineering, science, and computers.

MOTION:

Regent VanGilst moved that the board ratify the lease agreement between the National Technological University (NTU) and Iowa State University for NTU's use of space on the ISU antenna farm identified in the lease, for a period of ten years commencing 30 days following approval of NTU's National Telecommunications and Information Grant, with consideration for the lease being an exchange of services. Regent Anderson the motion, and upon the roll being called, the following voted:

AYE: Anderson, Duchon, Greig, Harris, McDonald, Murphy, Tyler, VanEkeren, VanGilst.
NAY: None.

COOPERATIVE STUDENT TEACHING AGREEMENT. The Board Office recommended approval of the proposed cooperative student teaching agreement form for 1987-88 and authorize the executive secretary and presidents (or their designee) to sign the individual agreements.

The board of directors of any school district in the State of Iowa may enter into a contract with the State Board of Regents for furnishing instruction to pupils and for training teachers for the schools of the state. Such agreements are critical to the university's function as teacher training schools. The

contracts for such activities authorize the payment for services furnished by the school district or by the universities depending on the circumstances.

Consistent with the requirements contained in Section 7.17 of the Regents Procedural Guide, Iowa State University submitted its Cooperative Student Teaching Agreement for approval by the board. The teaching agreement submitted by the university this year was identical to those used in previous years except for the addition of a line under "6.1-\$75.00 for ten week student teaching assignee." The reason for this change was the university's desire to increase the amount of time that students spend in student teaching assignments.

MOTION: Regent Anderson moved approval of the Cooperative Student Teaching Agreement. Regent Murphy seconded the motion, and it carried unanimously.

WOI REORGANIZATION. The Board Office recommended (1) approve the Articles of Incorporation and Bylaws of the Iowa State University Equities Corporation with the proviso that the Equities Corporation board of directors would set compensation for the board of directors of the Iowa State University Broadcasting Corporation; (2) approve the Articles of Incorporation and Bylaws of the Iowa State University Broadcasting Corporation with the proviso that the chief operating officer and general manager of WOI-TV would be an ex officio and voting member of the board of directors; and, (3) approve a "Resolution of the Board of Regents of the State of Iowa Approving the Transfer of the Assets of WOI-TV to the Iowa State University Broadcasting Corporation and Other Actions Necessary to Effectuate the Establishment of the Iowa State University Broadcasting Corporation and the Iowa State University Equities Corporation."

The university and the Board Office recommended that the board complete actions necessary to establish the Iowa State University Broadcasting Corporation and to transfer assets of WOI-TV to the corporation. To accomplish those tasks most effectively it was also recommended that the Iowa State University Equities Corporation be created as a not-for-profit holding company and sole shareholder of the stock in the Iowa State University Broadcasting Corporation.

The university and Board Office worked closely with legal and tax counsel to attain the objectives set forth by the board at its December meeting. Those objectives principally involve the board maintaining authority over the continued existence of the corporation, offering every reasonable opportunity for the corporation to succeed financially, and protecting for the university the essential academic and educational contributions of WOI-TV. The list of the specific objectives established by the board is as follows:

- o Directed that the disposition of assets of WOI-TV and the continued existence of the affiliated organization be subject to the Board of Regents consent.

- o Directed that the board of directors for the affiliated organization have the responsibility for directing the operations and hiring personnel at WOI-TV and that they be appointed by the university president with the consent of the Board of Regents.
- o Directed that the most critical educational contributions of the station be accommodated and the establishment of a means of coordinating the commercial interests of the station with the educational interests of the university be provided in documents establishing the affiliated organization.
- o Directed that the university prepare the necessary legal documents and detailed organizational plans to execute the actions approved by the board on December 17, 1986 and to submit these documents and plans to the board for its consideration and approval.

Documents establishing the Iowa State University Broadcasting Corporation and the Iowa State University Equities Corporation were prepared on behalf of the university by the law firm of Davis, Hockenberg, Wine, Brown, Koehn and Shors. The selection of this firm was done with the approval of the Attorney General's Office and the Executive Council. John Shors is the senior partner principally responsible for the preparation of the documents.

In March the board approved a memorandum of understanding between the broadcasting corporation and Iowa State University involving protection of the academic and educational contributions of WOI-TV to the university.

The most critical control which the Board of Regents had on the proposed broadcasting corporation was to approve directors and to be able to direct the removal of the entire board of directors and dissolve the corporation. The university proposed that there be seven directors of the Iowa State University Broadcasting Corporation. The Iowa State University Equities Corporation was proposed to have four directors, all being officers of Iowa State University.

As requested at the March meeting, the university recommended a slate of candidates for directorship of both corporations. The recommendations for directors of the companies were as follows:

Iowa State University Equities Corporation (holding company)

President Gordon P. Eaton
Executive Vice President Charles McCandless
Vice President George Christensen
Vice President Warren Madden

Iowa State University Broadcasting Corporation

Joan U. Axel
Robert L. Crom
Margaret S. Pickett
Richard P. Sernett
Harry G. Slife
Alan R. Tubbs
Keith Ketchem (ex officio)

The recommended directors of the broadcasting corporation were selected for special and complementary skills and experience to attain the goals set forth by the board. Each person was highly recommended and was prepared to serve if approved by the board. Three of the seven recommended directors are affiliated with Iowa State University whereas four are not. Keith Ketchem was recommended as the result of being chief operating officer and general manager of WOI-TV. The Board Office recommended that the chief operating officer of WOI-TV be an ex officio voting member of the corporation board of directors.

Those members of the board who are not employees of Iowa State University are proposed to have compensation set by the holding company board of directors. Members of the board of directors who are employees of Iowa State University would receive only out-of-pocket expenses.

The assets of WOI-TV can be transferred, sold, or leased to the corporation. Conveyance of real property has been proposed only by lease. Assets necessary to operate WOI radio stations were not being transferred.

The assets of WOI-TV include the broadcasting building, tall tower facility, a variety of other operating equipment and substantial intangible assets. The university reported the original cost, book value, and replacement cost of these assets. The table shown below summarizes the asset inventory.

	<u>WOI-TV Assets</u>			
	<u>Original Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>	<u>Replacement Cost</u>
Building	\$1,112,133	(\$ 532,845)	\$ 579,289	\$4,879,427
Tall Tower and Transmitter Facility	\$ 472,619	(\$ 300,380)	\$ 172,239	\$1,194,618
Other Operating Equipment	\$3,871,519	(\$2,723,441)	\$1,148,078	\$5,245,179
Intangible (e.g. FCC license and ABC affiliation agreement)				\$12,000,000*

*Estimated fair market value.

The building on the Iowa State University campus presently housing the WOI-TV studios would be leased to the broadcasting corporation. The lease would be for three years with unilateral termination allowed on 90-days notice. The premises to be leased include 28,648 square feet of space. The building exterior, structural elements and utilities would be maintained by the university and the broadcasting corporation would pay metered or allocated costs for utilities supplied by the university.

Other physical assets of WOI-TV were to be transferred in a tax-free, non-cash transaction. Those assets included the satellite downlink facility, television cameras and a variety of other operating equipment needed by WOI-TV.

Intangible assets of WOI-TV were valued by Frazier Gross and Kadlec Inc. and the Deloitte accounting firm as approximately \$12,000,000. Those assets consist principally of the FCC broadcasting license and the ABC affiliate agreement. It was proposed that intangible assets be sold by the university to the broadcasting corporation under terms of a promissory note between the university and the broadcasting corporation. The resolution authorized the university president, with the concurrence of the executive secretary, to enter into the agreement and promissory note. Fair market asset values and interest rates would be used to structure the transaction.

Personnel actions required as the result of this reorganization could not be practically accomplished until the corporation board of directors was appointed and have had an opportunity to meet. The university proposed that the board of directors should be responsible for establishing the hiring and compensation

policies of the corporation. The university reported that at the time the operation of the television station was assumed by the new entity it would initiate the procedures required to eliminate those positions which would no longer be needed by the university. Displaced employees would be accorded their rights and benefits under the university's established personnel policies and labor contracts.

The board was requested to approve a "Resolution of the Board of Regents of the State of Iowa Approving the Transfer of the Assets of WOI-TV to the Iowa State University Broadcasting Corporation and Authorizing Other Actions Necessary to Effectuate the Establishment of the Iowa State University Broadcasting Corporation and the Iowa State University Equities Corporation." Approval of the resolution set in motion the necessary actions to complete the reorganization of WOI-TV. The text of that resolution is as follows:

WHEREAS, the Iowa State University of Science and Technology, (hereinafter "Iowa State University") presently owns and operates WOI-TV; and

WHEREAS, at its December 17, 1986 meeting, the Board of Regents of the State of Iowa (hereinafter the "Regents") directed that a separate organization be formed to manage and operate WOI-TV; and

WHEREAS, at its March 12, 1987 meeting, the Regents approved the formation of the Iowa State University Broadcasting Corporation to manage and operate WOI-TV and to be the transferee of WOI-TV's assets; and

WHEREAS, at that March 12, 1987 meeting, the Regents directed Iowa State University to organize the Iowa State University Broadcasting Corporation as a wholly owned subsidiary of a holding company to be formed by the President of Iowa State University;

WHEREAS, the Regents have reviewed and approved the Articles of Incorporation and the Bylaws of the Iowa State University Equities Corporation, which Articles of Incorporation and Bylaws; and

WHEREAS, the Regents have reviewed and approved the Articles of Incorporation and the Bylaws of the Iowa State University Broadcasting Corporation, which Articles of Incorporation and Bylaws

NOW, THEREFORE, BE IT RESOLVED, that the President of Iowa State University be authorized to take all further action necessary or desirable to form both the Iowa State University Broadcasting Corporation and its intended parent, the Iowa State University Equities Corporation, in accordance with the Articles of Incorporation and Bylaws reviewed and approved by the Board of Regents for both corporations.

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BE IT FURTHER RESOLVED, that the President of Iowa State University be authorized to appoint the following individuals to serve on the initial Board of Directors of the Iowa State University Equities Corporation:

President Gordon P. Eaton
Executive Vice President Charles McCandless
Vice President George Christensen
Vice President Warren Madden

BE IT FURTHER RESOLVED, that the Iowa State Equities Corporation be authorized to appoint the following individuals to serve as the initial directors of the Iowa State University Broadcasting Corporation:

Joan U. Axel
Robert L. Crom
Margaret S. Pickett
Richard P. Sernett
Harry G. Slife
Alan R. Tubbs
Keith Ketchem (ex officio)

BE IT FURTHER RESOLVED, that the President of Iowa State University be authorized to lease the portions of the WOI studio building presently used by WOI-TV to the Iowa State University Broadcasting Corporation in accordance with the Lease which is attached hereto as Exhibit F and incorporated herein by this Reference.

BE IT FURTHER RESOLVED, that the President of Iowa State University with the concurrence of the Executive Secretary of the Board of Regents be authorized to enter into an installment sale contract whereby Iowa State University will sell its interest in the tall transmission tower presently used by WOI-TV to the Iowa State University Broadcasting Corporation for a price representing the present fair market value of Iowa State University's interest in the tall transmission tower estimated at \$1,194,618; provided, however, that the President of Iowa State University with the concurrence of the Executive Secretary of the Board of Regents shall remain free to transfer the University's interest in the tall transmission tower to the Iowa State University Broadcasting Corporation by lease or by assignment if the University is unable to secure all approvals needed for the contemplated sale of the tall transmission tower.

BE IT FURTHER RESOLVED, that the President of Iowa State University be authorized to transfer WOI-TV's operating equipment, including the recently acquired satellite uplink valued at an estimated \$500,000, to the Iowa State University Broadcasting Corporation in a non-cash transaction qualifying as tax-free to all parties under the pertinent provisions of the Internal Revenue Code.

BE IT FURTHER RESOLVED, that the President of Iowa State University with the concurrence of the Executive Secretary of the Board of Regents be authorized to enter into an installment sale contract whereby Iowa State University will sell its interest in intangible property presently used by WOI-TV with an estimated market value of \$12 million, to the Iowa State University Broadcasting Corporation for a price representing the present fair market value.

BE IT FURTHER RESOLVED, that the President of Iowa State University with the concurrence of the Executive Secretary of the Board of Regents be authorized to transfer all of WOI-TV's remaining assets, as listed and valued in Exhibit E attached hereto, to the Iowa State University Broadcasting Corporation by sale, by lease or by non-cash transfer and to take all other actions necessary or desirable to effectuate the intent of the foregoing resolutions.

In March the board directed that the university annually report to the board on the status of the new corporations, including their financial and educational contributions to Iowa State University. That process should commence following the fiscal year ending June 30, 1988. The third annual report was directed to be a comprehensive evaluation of the financial and educational results of the corporation as compared to the industry standards and expectations of the WOI-TV Executive Study Committee. The university's review after three years was to include an evaluation and recommendation of the merit of the corporations' continued existence.

Vice President Madden stated that since the last board meeting the university had moved ahead to implement the general guidance of the board and have incorporated all of the suggestions and concerns. They had been working with legal counsel and outside accounting firms to minimize the tax consequences. He said they had also identified individuals to serve on the board. He stated he felt that all the individuals outside the university would serve the board well. He was very pleased that all those people were willing to serve. They all have educational backgrounds and corporate experience. He stated the university had been working very carefully with the Board Office, and they felt they had arrived at something that would meet with the approval of the board. He said they were now ready to move forward.

President Eaton stated they hoped to convene the first meeting of the broadcasting corporation the first part of May. He stated the directors would serve for three years with the possibility of an extension.

Regent Duchon about asked fees for the directors. President Eaton stated they would be \$3,000 plus \$250 per meeting.

Regent Duchon asked the university members of the broadcasting corporation board to give consideration to reasonableness of seeing performance numbers

more often than on an annual basis. He said the board still had a strong interest and responsibility to the university and the public.

President Eaton stated he fully agreed with Regent Duchen and stated members of both corporations serve at the pleasure of the Board of Regents.

President McDonald stated he followed the progress of these transactions closely and was very pleased with the structure and felt they did a good job.

Regent Anderson stated Representative Hammond had brought to her attention that there were a number of women well qualified for the WOI boards. She asked was there flexibility in terms of the size of the boards. She indicated she had also had a phone call from a reporter concerning gender balance. She said she was concerned about the law but wanted to see competent productive people on the boards. President Eaton stated the number seven was purely arbitrary and additional nominations could be made. President McDonald stated that could be addressed at future meeting.

MOTION:

Regent Tyler moved to approve the Articles of Incorporation and Bylaws of the Iowa State University Equities Corporation as recommended. Regent Greig seconded the motion, and upon the roll being called, the following voted:

AYE: Anderson, Duchen, Greig, Harris, McDonald, Murphy, Tyler, VanEkeren, VanGilst.

NAY: None.

ABSENT: None.

MOTION:

Regent Duchen moved to approve the Articles of Incorporation and Bylaws of the Iowa State University Broadcasting Corporation as recommended. Regent VanEkeren seconded the motion, and upon the roll being called, the following voted:

AYE: Anderson, Duchen, Greig, Harris, McDonald, Murphy, Tyler, VanEkeren, VanGilst.

NAY: None.

ABSENT: None.

MOTION:

Regent Greig moved to approve the Resolution of the Board of Regents of the State of Iowa Approving the Transfer of the Assets of WOI-TV to the Iowa State University Broadcasting Corporation and Other Actions Necessary to Effectuate the Establishment of the Iowa State University Broadcasting Corporation and the Iowa State University Equities Corporation.

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Regent Murphy seconded the motion, and upon the roll being called, the following voted:
AYE: Anderson, Duchen, Greig, Harris, McDonald, Murphy, Tyler, VanEkeren, VanGilst.
NAY: None.
ABSENT: None.

President McDonald then asked board members and institutional executives if there were additional items for discussion pertaining to Iowa State University. There were none.

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday and Thursday, April 22 and 23, 1987.

REGISTER OF PERSONNEL CHANGES (INCLUDING PROMOTIONS).

ACTION: President McDonald stated the Register of Personnel Changes was approved as a part of the consent docket.

OTHER PERSONNEL TRANSACTIONS. The Board Office recommend approval of the personnel changes as follows:

Change of status of Mr. John D. Stalberger from Assistant Public Safety Director to Acting Director, Public Safety, effective April 1, 1987, at an annual salary of \$29,016.

Change of status of Dr. Robert J. Ward from Professor of English to Professor and Acting Head, Department of English Language and Literature, effective August 24, 1987, for the 1987-88 academic year at a salary to be budgeted for fiscal year 1987-88.

ACTION: President McDonald stated the personnel transactions at the University of Northern Iowa was approved as a part of the consent docket.

PHASED RETIREMENT. The Board Office recommended that the board approve the request of Professor Raymond W. Kuehl, Office of Student Field Experience, for phased retirement effective July 1, 1986.

Professor Kuehl proposed to reduce his appointment to 80 percent effective July 1, 1986, and to 50 percent for the next two years after which he plans full retirement. Because of an error in filing, his request was not brought to the board earlier.

The university reported that Professor Kuehl met the eligibility requirements for phased retirement in 1986 and that savings of approximately \$5,000 resulting from his phased retirement were used to support faculty who assumed his teaching responsibilities.

ACTION: President McDonald stated the phased retirement of Professor Kuehl was approved as a part of the consent docket.

1988 SUMMER SESSION CALENDAR. The Board Office recommended that the board approve the proposed academic calendar of the university for the 1988 summer sessions.

The board approved the university's regular academic year calendars for 1986-89 at its meeting in July, 1985. In March 1986 the board approved a revised academic calendar for the summer session in 1987. At that time the university reported that it was revising the summer session calendar because of the legislature's mandate that school districts not begin school before September 1. This mandate resulted in later endings for the Kindergarten through 12 school year. As a result the university wanted to delay the beginning of the summer session.

The legislature's mandate remains in place. The university reviewed the ending dates for many Kindergarten through 12 districts and determined that the overwhelming majority of such districts would end their school years on Friday, June 3. Therefore, the university proposed to begin its summer session activities on Monday, June 6. With this beginning date the university's second four-week session and one eight week session will end on July 29.

If the university were to schedule the beginning of the summer sessions a week later, the result would be that undergraduates who comprise 75 percent of the summer enrollments would have only 1-1/2 weeks of vacation at the end of the summer session before fall activities begin on August 18. Undergraduates who attend the University of Northern Iowa have complete the spring semester 1988 on May 13. Therefore, balancing the time factor for a majority of the students the university elects to begin the summer sessions activities on June 6.

ACTION: President McDonald stated the 1988 summer session calendar was approved as a part of the consent docket.

HONORARY DEGREE. The Board Office recommended approval of the proposed Honorary Degree for Dr. Lang at the University of Northern Iowa.

President Curris stated that on occasion the university has an opportunity to do something that gives great pleasure, and the Honorary Degree for Dr. Lang was one of those occasions. He stated Dr. Lang was a giant in the institution's history and retired from the university in the early 1970's and since that time has been working on the history of the university. He said he was looking forward to recognizing him during this commencement.

MOTION: Regent Harris stated he would be honored if the Chair would recognize his motion to approve the Honorary Degree for Dr. Lang. Regent Anderson seconded the motion, and it carried unanimously.

President McDonald asked to forward the board's congratulations and very best wishes to Dr. Lang.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended approval of the capital register for the period February 25 through April 7, 1987.

Highlights of the register follows:

PROJECT DESCRIPTIONS AND BUDGETS:

Latham Field Parking Lot \$400,000
Source of Funds: Parking Operations and Building Repair

This project involves construction of a paved 350 car parking lot. The site of the lot is the former Latham Athletic Field north of the Art Building. The project includes excavation, paving, and installation of storm sewer, lighting, and sidewalks.

The university requested approval of a consultant agreement with Kirkham, Michael and Associates for engineering and design services on this project. The project will be financed from a combination of parking operation funds and building repair funds. The university is proceeding with the parking lot project because of an available balance in its 1987 building repair account. Utility savings made possible by favorable winter weather have been transferred to the 1987 building repair budget. These funds are fiscal year 1987 money and must be committed by June 30, 1987.

The university indicated that allocation of building repair funds to the Latham Field Parking Lot Project will not hinder its ability to accomplish critical fire and environmental safety projects during the next year. The Board Office was informed that the university successfully responded to fire safety deficiencies cited by the State Fire Marshal prior to 1986.

The university reported actions on projects with budgets of less than \$250,000. This month the university presented five new projects for ratification by the board.

CONSULTANT AGREEMENTS:

Latham Field Parking Lot \$31,900
Kirkham, Michael and Associates
(Design Services)

This consultant agreement is to provide design services for the Latham Field Parking Lot discussed above. The firm has experience with the University of Northern Iowa campus and has performed satisfactorily on previous projects. The firm was selected by the university from the pool of architectural engineering firms that have expressed interest in the past in doing work with the university.

This month, the University of Northern Iowa presented a status report on-going capital projects with budgets over \$250,000. The university reported that nine capital projects are currently underway. These projects have a combined budget of \$32 million. The projects include a new Classroom/Office Building for the School of Business, a new Communication Arts Building and a previous boiler replacement project. The latter two projects are over 98 percent completed.

SEMI-ANNUAL STATUS REPORT ON CAPITAL PROJECTS:

This month the university presented a status report on ongoing capital projects with budgets over \$250,000. The university reported nine capital projects currently underway. These projects have a combined budget of \$32 million.

MOTION: Regent VanGilst moved approval of the Register of Capital Improvement Business Transactions. Regent Tyler seconded the motion, and it carried unanimously.

MOTOR VEHICLE AND BICYCLE REGULATIONS. The Board Office recommended that the board approve: (1) the 1987-88 motor vehicle and bicycle regulations for the University of Northern Iowa and (2) the parking fee schedule.

The changes made in the regulations include changing the hours some parking lots are available for evening student parking, changing dates for payroll deduction of parking fees, and more clearly identifying that the university is not liable for damage to cars parked on its campus.

The changes in parking fees include increases by 5 percent or less except for the fee for a second car for persons living in married student housing which has increased by more than 5 percent.

The regulations and parking fee schedule are on file in the Board Office.

MOTION: Regent Greig moved approval of the motor vehicle and bicycle regulations and parking fee schedules. Regent VanEkeren seconded the motion, and it carried unanimously.

ABANDONMENT OF TWO INSTITUTIONAL ROADS. The Board Office recommended the board authorize the abandonment of Institutional Road Indiana Street, lying between Minnesota Street and 23rd Street and Institutional Road 27th Street from Campus Street to Missouri Street.

Abandonment of these streets is an integral part of the overall comprehensive campus plan. The majority of the work will be undertaken as a training project by an Army Reserve engineering unit stationed at Decorah, Iowa, at a minimal cost to the university.

The university will follow the requirements identified in Chapter 306.10 through 306.17 of the Code of Iowa to vacate a public thoroughfare. The university will publish a public notice and hold a public hearing as required.

MOTION: Regent Harris moved approval of the recommendation on the abandonment of two institutional roads. Regent Greig seconded the motion, and it carried unanimously.

RAZE/REMOVE FOUR HOUSES. The Board Office recommended the board approve the request to raze the following four residential structures: 2218 Campus Street, 1233 - 23rd Street, 1227 - 23rd Street, and 2215 Merner Street.

The university requested the board's approval to raze or move four structures located on the north edge of the campus. The four structures located in the 1200 block of 23rd Street are frame houses built in the early 1900s. One house was used by the Social and Behavioral Research Center and the remaining three houses are rented as apartments.

The university indicated that with the exception of the Behavioral Research House, the houses are not in good condition. The university will proceed to advertise for bids to relocate or dismantle for scrap one or more of the houses. The houses that are not moved or dismantled will then be demolished.

The university plans to construct a temporary parking lot on the west end of the 1200 block of 23rd Street. The gravel parking lot will provide additional parking for faculty and staff with offices in adjacent university buildings. The lot will be located across 23rd Street from Bartlett Hall. A second gravel parking area will be created immediately behind houses owned by the university on the east end of the same block adjoining Merner Street.

The university requested permission to demolish or remove the houses in order to construct the temporary parking lots. The university indicated that the parking lots are part of the long-range campus master plan.

Vice President Conner stated the area is an area of older homes mostly currently used for rental property. He said the university purchased the property with the idea that they would eventually clear them out and turn the area into a parking lot. This project has been in the planning stages for some time. He added they have finished the move to Barton Hall and, therefore, the parking problem went from severe to crisis.

MOTION: Regent Anderson moved approval of the request to raze/remove four houses. Regent VanGilst seconded the motion, and upon the roll being called, the following voted:
AYE: Anderson, Duchen, Greig, Harris, McDonald, Murphy, Tyler, VanEkeren, VanGilst.
NAY: None.

APPROVAL OF SPECIAL SECURITY OFFICERS. The Board Office recommended that the board approve the appointments of Ms. Milissa Wright and Mr. William Speller as permanent Special Security Officers at the University of Northern Iowa.

ACTION: President McDonald stated this item was approved as a part of the consent docket.

Regent Harris stated he felt it would be a good idea for the Board Office to put together a notebook of maps of the campuses. He said it would be something the Regents would be responsible for keeping with them so when something came up during a meeting that required locating something on a map they would have the information.

President McDonald stated the Board Office should make that a project. He added they should be color maps so the Regents can easily identify buildings.

President McDonald then asked board members and institutional executives 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 the Iowa School for the Deaf was transacted on Thursday, April 23, 1987.

RATIFICATION OF ACTIONS REPORTED IN THE REGISTER OF PERSONNEL CHANGES FOR THE MONTH OF MARCH 1987. The Board Office recommended approval of the Register of Personnel Changes for the month of March 1987.

ACTION: President McDonald stated this item was approved as a part of the consent docket.

APPROVAL OF PHYSICAL AND OCCUPATIONAL THERAPY SERVICES. The Board Office recommended that (1) the board approve the agreement between the Iowa School for the Deaf and Loess Hills Area Education Agency 13 (AEA) for one year commencing July 1, 1987, and ending June 30, 1988, for the AEA to provide physical and occupational therapy services to students at Iowa School for the Deaf and (2) the superintendent of Iowa School for the Deaf be authorized to execute the agreement on behalf of the board.

From 1979 through part of the current school year the Iowa School for the Deaf has provided physical therapy for its students pursuant to an agreement with the Leavenworth Physical Therapy Clinic, Inc. This service was provided at a cost of \$25 per hour per therapist. The cost for the current school year was projected to be \$6,975. During the present school year the Clinic notified the school that it could no longer provide the service.

The school contacted the Loess Hills Area Education Agency 13 (AEA) when the clinic discontinued its agreement. The AEA and the Iowa School for the Deaf were able to reach agreement on how the AEA could provide physical and occupational therapy services to students at the school using a combination of AEA staff, Iowa School for the Deaf staff, and the school's contract physician.

The proposed agreement provides that the Iowa School for the Deaf will provide a Motor Technician to provide necessary technical services in physical and occupational therapy and will provide the services of its contract physician to approve programs of such therapy. The school will do initial screening and referral of students to the AEA for therapy.

The AEA will provide evaluation of the screened students and develop a program which will be referred to the schools contract physician for approval. The AEA will provide on-going training for the Iowa School for the

Deaf staff doing the screening and providing the therapy. There will be no cost for the services of the AEA.

Superintendent Giangreco reported that it will not be necessary for the school to hire additional staff to undertake this cooperative program with the AEA. The AEA and the school have identified dormitory staff who can provide the services with training by the AEA. Attendance at AEA training sessions will become a part of the work assignment of the dormitory staff selected to work in this program.

It was noted by the Regent Merit System Director that an employee working outside the duties of the employee's classification for more than 30 percent of the time may request reclassification. While there is no guarantee that an employee would be reclassified unless the work outside the duties of the classification exceeds 50 percent of the worktime, these new duties could impact classification.

Superintendent Giangreco indicated the cost of implementing this new way of providing occupational and physical therapy for the school would cost less than the Leavenworth arrangement costs.

ACTION: President McDonald stated the request for approval of physical and occupational therapy services was granted by general consent of the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS FOR THE MONTH OF MARCH 1987. The Capital Register for the Iowa School for the Deaf contained no transactions this month and was received as a part of the consent docket.

President McDonald asked the board members and institutional representatives if there were additional for discussion items pertaining to the Iowa School for the Deaf. There were none.

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Thursday, April 23, 1987.

RATIFICATION OF ACTIONS REPORTED IN THE REGISTER OF PERSONNEL CHANGES FOR FEBRUARY 21 TO MARCH 21, 1987. The Board Office recommended approval of the Register of Personnel Changes.

ACTION: President McDonald stated this item was approved as a part of the consent docket.

RENEWAL OF COOPERATIVE SPONSORSHIP OF AN ACTIVITY. The Board Office recommended that the board approve, subject to review by the executive secretary, an agreement with the Vinton Community Schools by which selected Iowa Braille and Sight Saving School students participate in the athletic programs of the Vinton Community Schools.

There are certain athletic programs in which the Iowa Braille and Sight Saving School is unable to compete because of its size and the limitations of students at the school. The Department of Public Instruction and the Iowa High School Athletic Association provide for schools to join together to offer a single athletic program. The institution has participated in such a joint effort in the past and wished to continue such an arrangement for the 1987-88 school year.

The institution did not provide copies of the agreement by which this program would continue. Therefore, it was not possible to provide the board with an analysis of obligations and responsibilities accepted and assigned by the parties to the agreement.

Acting Superintendent Young stated the school enters into this type of cooperative agreement on an on-going basis. The students who wished to could participate in any of the activities sponsored by the Vinton Community School District.

ACTION: President McDonald stated the Agreement for Cooperative Sponsorship of an Activity was renewed by general consent of the board.

SCHOOL CALENDAR - 1987-1988. The Board Office recommended that the board approve the school calendar and holiday schedule for the 1987-88 school year.

State-approved schools must meet for at least 180 student-teacher contact days per school year. The proposed calendar has 180 student-teacher contact days and nine teacher workshop/preparation days. The calendar contains 19 at-home weekends including Thanksgiving and Christmas holidays and a one week spring vacation. On the at-home weekends students leave school immediately after lunch on the day of departure and that is counted as a day of school. Students usually return to school from an at-home weekend on Sunday, but when it is a weekday, the day is not counted for contact days.

Consideration was given to the statutory requirement that local schools begin their school year no sooner than the first day of September. This law, passed by the General Assembly in 1985, does not apply to the special schools. However, because of the mainstreaming that occurs between the special schools and the local schools and because of the desire to provide some consistency between the summer vacations of students in local schools and the special schools, the school tried to develop a calendar with a beginning date as near September 1 as possible. Because of the at-home weekends and holidays, the school found it necessary to begin classes on August 31.

The calendar is constructed with strong consideration for energy conservation purposes and tries to maximize shut-down periods at holidays and at-home weekends.

The Board Office noted that several groups on the state and national level are recommending extending the school year to 190 or 200 student-teacher contact days. This is a factor the schools will have to watch in the development of future calendars and budgets.

ACTION: President McDonald stated this item was approved as a part of the consent docket.

REGISTER OF CAPITAL IMPROVEMENTS BUSINESS TRANSACTIONS. The Board Office recommended approval of the capital register for March 1987.

Discussion of the register follows:

This month the institution reported one new project. The flooring in the Gymnasium Building is in need of replacement. The original flooring in the corridors, offices and gymnasium was installed in 1961.

The executive secretary, acting on behalf of the board, authorized the institution to proceed with planning on this project. The school was authorized to retain Shive-Hattery Engineers to evaluate replacing the flooring in the Gymnasium Building. The engineers will determine the scope of the work involved in replacing the flooring, identify costs, and present

alternative flooring material in a report to the school. The school indicated that the cost for the evaluation study is \$1,900.

The institution requested ratification of the Executive Secretary's action in approving the contract agreement with Shive-Hattery Engineers. The institution will obtain approval before proceeding with subsequent phases of the project.

MOTION: Regent Anderson moved approval of the Register of Capital Improvement Business Transactions. Regent Greig seconded the motion, and it carried unanimously.

APPROVAL OF RENEWAL LEASE - USE OF COTTAGE FIRST FLOOR AREAS BY HAPPY TIME CHILD DEVELOPMENT CENTER. The Board Office recommended that the board approve the facilities use agreement, including cost of meals, for the benefit of the Iowa Braille and Sight Saving School, with HAPPY TIME CHILD DEVELOPMENT CENTER for their use of approximately 2,604 square feet of space in the Iowa Braille and Sight Saving School cottage for the period from August 15, 1987, to June 15, 1988, for a fee of \$2,562.36 for the period, plus meals.

The board has encouraged the institution to make vacant space on campus available to organizations which provide needed community services. The space is leased for the approximate cost of utilities and maintenance including custodial services. The board approves all leases between the institutions it governs and landlords and tenants as provided by the Code of Iowa, Section 262.9(13). Leases of this type are generally for not more than one year to provide the board flexibility in determining space requirements at the school. The use of the property leased must not interfere with the operation of the school's program.

The Happy Time Child Development Center (hereinafter Center) will have the use of the major portion of the east and center sections, first floor, of the Cottage. The space includes three open classrooms, a kitchen, dining room, small office, and bathroom. The kitchen may be used for minimal food preparation but not meal preparation. Meals will be provided by the school for both children and adults at the Center at a cost of \$1.50 each on days both the Center and the school are in operation. A fee of \$2,562.36 for the use of the facility, in addition to the meal charges, will be paid in four installments, as follows: September 30, 1987, \$307.48; December 31, 1987, \$845.58; March 31, 1988, \$845.58; May 31, 1988, \$563.72. These fees represent no change since 1984-85. The school reports this fee continues to cover its expenses. When the school is not in session, the center will accept the facilities with minimum heat provided.

The school reported the Center is licensed by the State to provide child care.

IOWA BRAILLE AND SIGHT SAVING SCHOOL
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MOTION:

Regent Harris moved that the board approve the facilities use agreement, including cost of meals, for the benefit of the Iowa Braille and Sight Saving School, with HAPPY TIME CHILD DEVELOPMENT CENTER for their use of approximately 2,604 square feet of space in the IBSSS cottage for the period from August 15, 1987, to June 15, 1988, for a fee of \$2,562.36 for the period, plus meals. Regent VanGilst seconded the motion; and upon the roll being called, the following voted:

AYE: Anderson, Duchen, Greig, Harris, McDonald, Murphy, Tyler, VanEkeren, VanGilst.

NAY: None.

APPROVAL OF CONTINUING CONTRACT WITH SHERMAN L. ANTHONY, M.D., FOR PROFESSIONAL MEDICAL SERVICES. The Board Office recommended that (1) the board approve a contract for professional services with Dr. Sherman Anthony for the 1987-88 school year to provide medical services to the school and the students for a fee of \$1,800 and a fee of \$18 per student examined or administered service, and (2) the superintendent designate, William Dennis Thurman, be directed to review the medical services at the Iowa Braille and Sight Saving School to determine if timely medical services can be provided through University Hospitals and Clinics in Iowa City, and to report to the board in the Spring of 1988 the superintendent's recommendation for medical services for the school and its students.

The school has engaged Dr. Anthony for medical services for several years. The previous superintendent did not docket the contracted services agreement for board's review as is appropriate pursuant to board procedures.

The agreement proposed to the board provided that Dr. Anthony will review student files, consult with staff employed by the school, provide inservice instruction, provide an annual written evaluation of the school's Health Center function, and provide an annual written evaluation of the school's registered nurse for a fee of \$1,800. It also provided that the school will pay \$20 for each student examined or administered service at the school or at the Vinton Clinic. Dr. Anthony indicated to Acting Superintendent Young that he will, however, continue to provide the individual service to students at a fee of \$18 instead of the \$20 identified in the agreement. Therefore, the Board Office recommended that the agreement state the fee as \$18. The fee for individual services went from \$16 in 1985-86 to \$18 in 1986-87 according to the school's business office. The cost of the individual services portion of the agreement was \$1,273 in 1985-86. Another \$2 per instance increase would result in a 25 percent increase in two years.

According to the administrator of the Virginia Gay Hospital in Vinton, all doctors in Vinton maintain practices together at the Vinton Family Medical Associates, P.C. Clinic which is owned by STL Health Resources, a wholly-owned subsidiary of St. Luke's Hospital, Cedar Rapids. St. Luke's also provides the administrator for the Virginia Gay Hospital pursuant to a contracted services agreement. The Virginia Gay Hospital is a private, not-for-profit hospital for which the City of Vinton has some trust responsibilities.

The recommendation for review of the medical/health services at the school did not represent any perceived dissatisfaction with the service. It was an expression of the Board Office's belief that such a critical service should be provided based on consultation with the board.

During the review of the medical/health services at the Iowa Braille and Sight Saving School, the Board Office requested information concerning the same services at the Iowa School for the Deaf. It was noted that the School for the Deaf does not have a written agreement for such services. Medical services at the School for the Deaf are provided by a doctor at a monthly contracted fee of \$1,014.45 for nine months. The Board Office recommended that it review the contracted medical/health services at the Iowa School for the Deaf.

MOTION: Regent VanGilst moved approval of the continuing contract with Sherman L. Anthony, M.D., for professional medical services. Regent Greig seconded the motion, and it carried unanimously.

President McDonald stated he had a wonderful evening at the farewell dinner for the departing Regents. He said it occurred to him that he may never see his friends on the board or the other people he had worked with as board member again. He said the evening meant a very great deal to him. He said he felt the board had done a good job for the state and for the Regent institutions. He said he would like to express appreciation to the tremendous professional staff in the Board Office especially Wayne Richey. He said he appreciated the competency and professionalism of the entire staff. He stated he felt indebted to Mr. Richey for his leadership and that he was valuable beyond price to the institutions, the board, and to the state of Iowa.

Mr. Richey thanked President McDonald.

Regent Murphy stated the staff is not only capable, but she liked every member.

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Regent Anderson stated she was really serious when she told everyone to visit her in her new home in Tucson. She stated being a member of the Board of Regents had been a marvelous experience for her.

IOWA BRAILLE AND SIGHT SAVING SCHOOL STUDENT PROGRAMMING. Acting Superintendent Young presented a slide presentation on the vocational and work experience program at Iowa Braille and Sight Saving School.

Acting Superintendent Young stated she was very pleased to have the Regents on the campus. She stated one of the questions the staff was continually asking was if they were making a difference in the lives of the students. She said they were working with the students to learn to travel from one place to another, with decision making, and moving into gainful employment. She stated one of the programs they felt was making a difference was the vocational and work experience program. This was a program which could not be defined by a single classroom or a single teacher, and many people were involved in the program.

Students work to develop basic skills such as counting money, doing laundry, and other functional skills. For example, work is provided in the cafeteria washing and stacking dishes and tables. Students are also employed in the community in various businesses such as restaurants, bottle redemption facilities, and nursing homes. Students are taking industrial arts and learn to use various tools and power equipment through minor adaptations. Students are placed in community business through the Job Training Partnership Act. Various pieces of equipment adapted for use by the blind were demonstrated.

Regent Anderson stated some of the situations shown in the slide presentation would seem to be difficult for someone without sight.

Acting Superintendent Young stated the students at the school had varying levels of vision.

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 1:25 p.m. on Thursday, April 23, 1987.


R. Wayne Richey
Executive Secretary