

The State Board of Regents met electronically on Tuesday, August 20, 1991.
The following were in attendance:

Members of the State Board of Regents

Mr. Pomerantz, President
Mr. Berenstein
Mr. Dorr
Mr. Fitzgibbon
Ms. Furgerson
Ms. Hatch
Ms. Johnson
Mr. Tyrrell
Mrs. Williams

Office of the State Board of Regents

Executive Director Richey
Deputy Executive Director Barak
Director Smith
Associate Director Hollins
Minutes Secretary Briggie

State University of Iowa

President Rawlings
Vice President Phillips
Treasurer True

Iowa State University

President Jischke
Interim Provost Swan
Vice President Madden
Vice President Theilen
Interim Vice President Crawford
Treasurer Thompson
Associate to the President Adams

University of Northern Iowa

President Curris
Executive Assistant to the President Stinchfield

Iowa School for the Deaf

Superintendent Johnson
Assistant Superintendent Balk
Interpreter John Cool

Iowa Braille and Sight Saving School

Superintendent Thurman
Director Hauser

Springsted

Corliss Weeks

Ahlers Firm

Ken Haynie
Morris Knopf

Legislative Fiscal Bureau

Sue Lerdal

GENERAL

The State Board of Regents held an electronic Board meeting on Tuesday, August 20, 1991, commencing at 2:32 p.m., in accordance with Section 21.8 of the Code of Iowa. The meeting was not held in person because it was not possible to have the Regents assemble in one location for this brief meeting. Each Regent in attendance was at a separate remote location. Public access was provided at the following locations:

Board of Regents Office, Old Historical Bldg., Des Moines
University of Iowa, President's Office Conference Room, 101 Jessup Hall,
Iowa City
Iowa State University, 117 Beardshear Hall Conference Room, Ames
University of Northern Iowa, Room 209, Board Room, Gilchrist Hall, Cedar
Falls
Iowa School for the Deaf, Superintendent's Office, Administration Bldg.,
Council Bluffs
Iowa Braille and Sight Saving School, Superintendent's Area, Main Bldg.,
Vinton

The following business pertaining to general or miscellaneous business was transacted on Tuesday, August 20, 1991.

SALE OF \$17.240 MILLION IN ACADEMIC BUILDING REVENUE BONDS FOR IOWA STATE UNIVERSITY, SERIES ISU 1991. The Board Office recommended the Board, subject to the receipt of acceptable bids:

- (1) Adopt a resolution providing for the sale and award of \$17,240,000 Academic Building Revenue Bonds, Series I.S.U. 1991, 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 \$17,240,000 Academic Building Revenue Bonds, Series I.S.U. 1991, for the purpose of paying costs of remodeling and renovation of Sweeney Hall, including additions or improvements thereto and constructing fire, life safety and environmental projects and various deferred maintenance, equipment and utility projects all on the campus of Iowa State University of Science and Technology and paying certain costs of issuing the bonds.

Bond Specifics:

Average Maturity: 14.87 years;
Bonds Dated: September 1, 1991;
Interest Due: January 1 and July 1, commencing January 1, 1992;
Optional Call: Bonds maturing on or after July 1, 2002, are callable on or after July 1, 2001, at par value;
Denomination: \$5,000 and integral multiples thereof.

The addition and renovation to Sweeney Hall has an estimated cost of \$6,600,000. The fire, life and environmental safety projects have an estimated budget of \$2,585,000. Deferred maintenance and utility projects have an estimated cost of \$8,055,000 including the Electrical Tie Line and Increased Chilled Water Capacity--Phase I projects.

This sale includes \$9,185,000 from the authority granted by the 1990 General Assembly and \$8,055,000 from the authority granted by the 1991 General Assembly. The amounts of Academic Building Revenue Bonds authorized by the 1990 and 1991 General Assemblies but unissued are \$11.585 million and \$11.94 million, respectively.

Three sales remain for Iowa State University as specified in the schedule approved by the Board at the July meeting. These sales are:

October 1991	Refunding	\$13,350,000
December 1991	Project Notes	\$ 7,100,000
May 1992	Refunding	\$10,150,000

Ms. Weeks stated that bids were opened at 1:30 p.m. today. Three bids were received. The best bid was from the Piper Jaffray & Hopwood, Inc., syndicate. Piper Jaffray bid a 6.0707 percent net interest rate with a net interest cost of \$15,563,860. She said the second best bid was from Dain Bosworth, Inc., with a 6.079 percent net interest rate and a net interest cost of \$15,585,213.33. The third bid was received from Merrill Lynch Capital Markets with a 6.2308 percent net interest rate for a net interest cost of \$15,974,474.87. Ms. Weeks said the 6.0707 percent net interest rate was exceptional and she recommended the Board accept the Piper Jaffray bid.

MOTION:

Regent Dorr moved to adopt a resolution providing for the sale and award of \$17,240,000 Academic Building Revenue Bonds, Series I.S.U. 1991, and approving and authorizing the agreement of such sale and award. Regent Furgerson seconded the motion, and upon the roll being called, the following voted:

AYE: Berenstein, Dorr, Fitzgibbon,

Furgerson, Hatch, Johnson, Pomerantz,
Tyrrell, Williams.

NAY: None.

ABSENT: None.

MOTION:

Regent Williams moved to adopt a resolution authorizing and providing for the issuance and securing the payment of \$17,240,000 Academic Building Revenue Bonds, Series I.S.U. 1991, for the purpose of paying costs of remodeling and renovation of Sweeney Hall, including additions or improvements thereto and constructing fire, life safety and environmental projects and various deferred maintenance, equipment and utility projects all on the campus of Iowa State University of Science and Technology and paying certain costs of issuing the bonds. Regent Hatch seconded the motion, and upon the roll being called, the following voted:

AYE: Berenstein, Dorr, Fitzgibbon,
Furgerson, Hatch, Johnson, Pomerantz,
Tyrrell, Williams.

NAY: None.

ABSENT: None.

APPEAL OF FACULTY MEMBER. The Board Office recommended the Board deny the request of the faculty member for review of a final institutional decision.

The Board had before it a confidential memorandum and supporting documents in this matter.

The faculty member's request for review of a final institutional decision was before the Board pursuant to Board of Regents Procedural Guide, Section 2.07 as further explained by Section 4.25. The faculty member was appealing the decision of the institution to deny tenure and promotion.

The Board Office review of the documents submitted by the faculty member and the university relative to this matter concluded that the process and conclusion were consistent with the laws and regulations governing public employees and were substantially in compliance with policies and procedures of the Board and the university.

The Board's decision in this matter represents final agency action for which the faculty member may seek judicial review as permitted by law.

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Director Barak stated that in July the Board deferred action on the appeal and requested the Attorney General's Office prepare a letter regarding the case. The Regents were provided with a copy of the letter prior to this meeting.

MOTION: Regent Dorr moved to deny the request of the faculty member for review of a final institutional decision. Regent Fitzgibbon seconded the motion, and it carried unanimously.

OTHER BUSINESS. Mr. Richey referred to the headline article in the most recent edition of the Sunday Des Moines Register, and stated there were a total of 15 Board of Regents employees, of a total in excess of 24,000 full-time and temporary employees, who received pay raises while remaining in the same position as the previous year. There was a contractual agreement to give the raises to those 15 employees in exchange for the employees turning down competitive offers from other universities. The rest of the salary increases mentioned in the newspaper article were adjustments in pay which were made as a result of a change in classification.

Regent Hatch said she had talked with Representative Kay Chapman. Regent Hatch invited Representative Chapman to her office to monitor the upcoming Board of Regents telephonic meeting. Representative Chapman questioned whether or not persons in the positions referred to in the newspaper article as acting positions would revert to their former salaries if another permanent person were found to take their place.

Mr. Richey responded that the employee would revert to the former salary except if the employee returns to a different position than the one occupied before the employee moved to the current acting position.

President Pomerantz stated that if an employee is in an acting position the employee receives the salary of the position occupied. If the employee returns to the historic position the salary reverts back to the previous salary. If the employee goes to a different position for which an opening had been created since the employee left to serve on an acting basis, the employee receives a salary at the new salary level.

President Pomerantz said that if an employee takes a third position or a fourth position the employee would get paid at the salary level for the position being occupied. Mr. Richey said that was correct. There would only be one or two cases like that.

Regent Hatch stressed that institutional officials need to make sure that if there is a newly-created position, there is sufficient rationale to create a new position during this time of intense funding shortage.

President Pomerantz pointed out that the Regents have agreed, for the time being, to cooperate with the Governor's request to withhold salary increases. However, there will come a time, perhaps in the not too distant future, when they will have to do what they have to do based on the needs of the Regent institutions. Funding to implement salary improvement may be another issue. Funds may have to come from reallocation, tuition increases, or other non-appropriated sources. The Regents are not committed forever to freeze salaries. That is a policy decision the Board will have to make when and if it becomes appropriate.

President Pomerantz asked if the upcoming telephonic Board meeting deals exclusively with budget issues. Mr. Richey responded that there are a few other issues that need to come before the Board but basically the docket consists of the budgets for fiscal year 1992 and the budget requests for fiscal years 1993 and 1994.

Regent Dorr referred to the second round of State lay offs and asked if there were any from the Regent institutions. Mr. Richey responded that there were not.

President Pomerantz expanded on Mr. Richey's response. He said the fiscal year 1991 Regent budgets included reversions. Vacant positions were eliminated. Authorized positions were not filled as one way of dealing with the state-imposed budget reversions. Therefore, no one was given a "pink slip". There were a couple of occasions where that took place. Then the AFSCME contract issue came up. Specific lay offs were made to reserve funds on a contingent basis pending the outcome of the litigation. Those lay offs took place at the end of July. He said the most recent 3.25 percent across-the-board budget cut by the Governor will, in fact, evolve to some lay offs. There will be programs that university officials decide to close down in their attempts to focus resources on priorities and to eliminate some of the lesser priorities as a means of dealing with additional budget cuts. There will, in effect, be reductions in personnel because of the 3.25 percent reversion. The reduction in programs and the reallocation of funds may stretch out over 2 or 3 years in cases where students are currently enrolled in programs.

Regent Dorr stated that the authorized but vacant positions that were eliminated in the fiscal year 1991 budget reversions should be pointed out in a public relations effort. Citizens in his part of the state assume that only blue collar positions are being eliminated.

Mr. Richey stated that is being done in connection with the August 19 telephonic Board of Regents meeting. Staff are preparing the lists to go with the docket materials for that meeting.

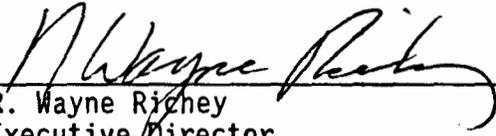
President Pomerantz said the refocusing of resources issue is part of the Regents' strategic planning. It has certainly been emphasized more since the state's budget problems than prior to that. They need to continue moving down

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the path of their strategic direction on a more timely basis. He expects the Regents will see the universities and the institutions move forward with that as they get into the fall.

ADJOURNMENT. Regent Hatch suggested the Regents should express their concern and hopes for a speedy recovery for the Governor's son. The Regents unanimously agreed with Regent Hatch's suggestion. President Pomerantz asked Mr. Richey to forward that message.

The meeting of the State Board of Regents adjourned at 2:52 p.m., on Tuesday, August 20, 1991.



R. Wayne Richey
Executive Director