

The State Board of Regents met on Friday, July 15, 1988, at Lake Okoboji.  
The following were in attendance:

July 15

Members of State Board of Regents

Mr. Pomerantz, President	All sessions
Mr. Duchon	All sessions
Mr. Fitzgibbon	All sessions
Mr. Greig	Excused
Dr. Harris	All sessions
Mr. Tyler	Excused
Miss VanEkeren	All sessions
Mr. VanGilst	Excused
Mrs. Williams	All sessions

Office of the State Board of Regents

Executive Secretary Richey	All sessions
Director Barak	All sessions
Director Eisenhauer	All sessions
Director Wright	All sessions
Associate Director Jensen	All sessions
Assistant Director Peters	All sessions
Minutes Secretary Briggie	All sessions

State University of Iowa

President Rawlings	Excused at 4:35 p.m.
Vice President Phillips	Excused at 4:35 p.m.
Acting Vice President Vernon	Excused at 4:35 p.m.
Associate Vice President Moll	Excused at 4:35 p.m.
Associate Vice President Small	Excused at 4:35 p.m.
Director Cooper	Excused at 4:35 p.m.
Director Gibson	Excused at 4:35 p.m.

Iowa State University

President Eaton	Excused at 4:49 p.m.
Exec. Vice President McCandless	Excused at 4:49 p.m.
Vice President Madden	Excused at 4:49 p.m.
Assistant to President Bradley	Excused at 4:49 p.m.
Director Lendt	Excused at 4:49 p.m.

University of Northern Iowa

President Curris	Excused at 5:00 p.m.
Provost Martin	Excused at 5:00 p.m.
Vice President Conner	Excused at 5:00 p.m.
Vice President Follon	Excused at 5:00 p.m.
Exec. Ass't. to Pres. Stinchfield	Excused at 5:00 p.m.
Assistant to President Gadelmann	Excused at 5:00 p.m.
Director Chilcott	Excused at 5:00 p.m.

Iowa School for the Deaf

Superintendent Johnson	Excused at 5:07 p.m.
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Iowa Braille and Sight Saving School

Superintendent Thurman	All sessions
Director Hauser	All sessions

## GENERAL

The following business pertaining to general or miscellaneous business was transacted on Friday, July 15, 1988.

President Pomerantz expressed appreciation to Regent Harris for chairing the Board meeting last month.

President Pomerantz welcomed President Rawlings to his first Board of Regents meeting. He said he looked forward to working with President Rawlings in accomplishing their mutual goals after he takes office on August 1, 1988.

President Pomerantz welcomed David Vernon, newly-appointed Acting Vice President for Academic Affairs at the University of Iowa.

President Pomerantz stated the procedure for this meeting would be to go immediately into closed session for the entire morning to engage in personnel evaluations. He said the Board would reconvene in open session following lunch.

**EXECUTIVE SESSION.** President Pomerantz requested the Board enter into closed session to conduct confidential evaluations pursuant to Code of Iowa section 21.5(1)(i) as requested by employees, and to consult with counsel regarding a matter which is presently in litigation or where litigation is imminent, pursuant to Code of Iowa section 21.5(2)(c).

### MOTION:

Regent Fitzgibbon moved to enter into closed session. Regent VanEkeren seconded the motion, and upon the roll being called, the following voted:

AYE: Duchen, Fitzgibbon, Harris, Pomerantz, VanEkeren, Williams.

NAY: None.

ABSENT: Greig, Tyler, VanGilst.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 9:09 a.m. on July 15, 1988, and arose therefrom at 12:45 p.m. on that same date.

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**APPROVAL OF MINUTES OF BOARD MEETING, JUNE 22-23, 1988.**

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

*RP*  
MOTION:

President Pomerantz stated the Minutes of the June 22-23, 1988, meeting were approved by general consent.

**CONSENT ITEMS.** The items on the consent docket appear in the appropriate sections of these Minutes and were approved by general consent of the Board.

**REPORT OF INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. a)**  
Telecommunication Rules - Adopt Notice of Intended Action. The Board Office recommended the Board (1) approve the statement of telecommunications policy and (2) request that each of the Regent universities develop telecommunications policies consistent with this general statement for approval by the Board and submission to the administrative rules review process.

The Interinstitutional Committee on Educational Coordination was asked to coordinate the development of rules required by Senate File 333, recently approved by the General Assembly.

The Interinstitutional Committee established an ad hoc interinstitutional committee of representatives from the telecommunications area to develop a policy statement for adoption by the Board of Regents and to coordinate the development of individual institutional policies on telecommunications in response to this statute. The ad hoc committee developed the following statement which was subsequently approved by the Interinstitutional Committee.

The Regents institutions will cooperate with the Iowa telecommunications network by seeking opportunities for access to its various delivery systems. Each institution will assign the responsibility for coordinating such access to a specific agency on campus. The Regents institutions will collaborate, as appropriate, in research efforts and pilot projects designed to explore innovative and cost-effective ways to utilize telecommunications as an instructional tool for the benefit of education in Iowa.

Each institution will encourage its colleges and departments to consider appropriate uses for instructional applications of telecommunications and related technology, as well as to encourage its faculty, staff and administration to consider telecommunications for the distribution and reception of educational communications as, for example, professional development seminars and workshops.

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Current policies and procedures within each institution governing the planning and offering of courses will apply to utilization of delivery systems available through statewide and other telecommunication networks. In such applications, each institution's colleges and departments will retain all prescribed autonomy in the choice of subject matter content, faculty, credit, and student requirements, as well as the right to withdraw a course in the interests of accuracy and currency.

**MOTION:**

Regent Harris moved to (1) approve the statement of telecommunications policy and (2) request that each of the Regent universities develop telecommunications policies consistent with this general statement for approval by the Board and submission to the administrative rules review process. Regent Williams seconded the motion, and it carried unanimously.

b) Early Childhood Center. The Board Office recommended the Board refer the proposal to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Senate File 2295 requires that the Board of Regents "...establish a Center for Early Development Education in a laboratory school setting to serve as a model for Early Childhood Education. The Teacher Education Programs at all three state universities shall cooperate in developing the center and its programs."

At the June Board meeting, the Board referred this request to the Interinstitutional Committee on Educational Coordination to make a recommendation for the program location and structure at the June Board meeting. As was reported to the Board at the June Board meeting, the Interinstitutional Committee was unable to provide a recommendation due to both Iowa State University and the University of Northern Iowa indicating an interest in this center. The committee was unable to provide a recommendation because neither university had submitted a written proposal.

The Interinstitutional Committee recommended that each institution interested in proposing a center in response to this legislation submit a written request and that the requests be reviewed in an objective manner.

Dr. Martin did not concur with the majority recommendation of the Interinstitutional Committee. It was the position of the University of Northern Iowa that there was clear legislative intent that this center be located at the University of Northern Iowa.

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The Board Office recommended that the Board's procedure on the approval of new centers and institutes be followed and that each institution interested in submitting a proposal prepare a formal request per the Board's established policy. As the proposals are being developed, consideration should be given to the intent of the legislature for broad involvement by all three Regent universities in the center.

Vice President Martin stated that University of Northern Iowa officials made budgetary provisions for the center and are prepared to proceed with the center. However, he said university officials will develop a proposal for submission to the Interinstitutional Committee on Educational Coordination.

Vice President Moll stated that the committee felt that any proposal for a center should come forth as a written proposal to be submitted to the Interinstitutional Committee as a matter of procedure.

MOTION: Regent VanEkeren moved to refer any proposals submitted for this purpose to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. Regent Williams seconded the motion, and it carried unanimously.

c) Ph.D. in Textiles at Iowa State University. The Board Office recommended the Board approve the proposed independent Ph.D. program in Textiles and Clothing at Iowa State University.

In May, Iowa State University submitted a proposal for an independent Ph.D. program in Textiles and Clothing. This request was referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. The Interinstitutional Committee completed its review and recommended approval.

The Board Office reported that this proposal is not a whole new degree program. It was previously offered as a joint degree with other majors. Independent status was now requested. Evidence toward planning for this request traces back to at least the university's long-range plan submitted to the Board of Regents in 1980.

The proposal was reviewed by the Board Office according to the Board of Regents criteria. A copy of that report is available in the Board Office. The Board Office noted that it appeared that the program meets or exceeds the criteria established by the Board of Regents and was recommended for approval.

MOTION: Regent Harris moved to approve the proposed independent Ph.D. program in Textiles and

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Clothing at Iowa State University. Regent Williams seconded the motion, and it carried unanimously.

d) Post-Audit Report on B.S. in Botany - University of Iowa. The Board Office recommended the Board receive the post-audit review report on the B.S. degree in Botany from the University of Iowa and approve the continuance of the program.

In May, the University of Iowa submitted a report on the B.S. degree in Botany. The Board referred the report to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. The Interinstitutional Committee completed its review and recommended acceptance of the report.

The B.S. degree program in Botany was primarily designed to serve the needs of students preparing for graduate study in the plant sciences. This was not an entirely new program since the university already offered the B.A. degree in this field.

The Board Office reported that it appears that the program has continued to meet the original objectives set out when the program was approved by the Board. Enrollment has been steady and at the levels projected originally by the university. The success rate of students in graduating and in finding appropriate employment or graduate study has been high. Because the implementation of the B.S. program did not require expansion of course offerings, the purchase of new equipment, or additional support funds, it has not resulted in any increases in expenditures. It is anticipated that no additional staffing will be required. To date, the B.S. program has simply involved an adaptation of the previously-existing undergraduate B.A. program without expansion.

*AC* MOTION:

President Pomerantz stated the Board received the post-audit review report on the B.S. degree in Botany from the University of Iowa and approved the continuance of the program by general consent.

e) Termination of Program - University of Iowa. The Board Office recommended the Board approve the request to terminate undergraduate majors in (1) Early Childhood Education, (2) Elementary Mental Retardation, and (3) Secondary Mental Retardation when all current students in the major have completed their programs.

In May, the University of Iowa requested approval to terminate selected undergraduate majors in Early Childhood Education, Elementary Mental Retardation, and Secondary Mental Retardation. The Board referred this request to the Interinstitutional Committee on Educational Coordination and

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the Board Office for review and recommendation. The Interinstitutional Committee completed its review and recommended approval of the requested action.

Based on a review of programs in the College of Education, the university concluded that the three programs should be terminated. The Early Childhood Education program currently has only two sophomores and three juniors enrolled in the major. Although the termination of this major would result in no immediate reduction in courses offered, the proposed action would allow the college to pursue future plans for some reorganization and integration of coursework in this area resulting in some potential reduction of instructional resources needed.

Due to the certification changes enacted by the Iowa Department of Education and the trends in these fields it was recommended that the three programs be terminated. Admission of new students to these programs would be suspended effective for Fall semester 1988. Students already in the programs would be allowed to complete their degrees.

**MOTION:**

Regent Williams moved to approve the request to terminate undergraduate majors in (1) Early Childhood Education, (2) Elementary Mental Retardation, and (3) Secondary Mental Retardation when all current students in the major have completed their programs. Regent Duchon seconded the motion, and it carried unanimously.

f) Report on Deletion of Programs. The Board Office recommended the Board receive the information item on program deletion.

The Interinstitutional Committee on Educational Coordination prepared a brief paper regarding program deletion. Specifically, the committee indicated that program deletions should be considered as a normal and desirable process to eliminate stale or obsolete programs and courses. As the committee noted, these deletions would occur only after a comprehensive review of a particular program.

The Board Office noted that it is important that the universities regularly and comprehensively review all program areas for obsolete, low productivity, low quality programs for possible deletion. In this way, some resources can be freed for reallocation to programs that are more viable. In times of limited resources, re-allocating is perhaps the only means by which quality can be enhanced.

**ACTION:**

President Pomerantz stated the Board received the information item on program deletion by general consent.

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**REPORT ON ORGANIZATIONAL AUDIT.** The Board Office recommended the Board receive the progress report from Peat, Marwick, Main & Co.

Slightly over a year ago, the Board approved plans to undertake an organizational audit of the Regent universities, the special schools, and the Board Office. Phase I of the organizational audit focused on identifying areas for possible further study. Phase I was completed early this year.

Phase II of the organizational audit was approved by the Board in February and consists of 35 special studies, 11 of which are Regent-wide issues, and the remainder individual institutional studies.

The Board was given an oral presentation on the status of the organizational audit by James Carney and Dr. Alceste Pappas of Peat Marwick Main. It appears that all projects are on schedule and should be completed on time. A primary activity for a number of the projects at this point will be the institutional review of several draft items. These reviews by the institutions and the Board Office are scheduled to take place later in July. Highlights of Dr. Pappas' presentation follow:

They are 2-1/2 months into the audit -- 6-1/2 months to completion.

Twenty-nine percent of the budget is expended.

There were certain selective modifications to the original proposal to allow for more efficiency.

They have received outstanding cooperation from all five Regent institutions and the Board Office.

Twenty Peat Marwick Main professionals across the country are working on this project. They have conducted a series of internal management meetings to ensure they are not working at cross purposes.

Five subcontractors are currently engaged by Peat Marwick Main to assist in this effort.

The report on what a strategic planning process should be is in the final stages of preparation and will be one of the first deliverable reports.

There will be much report generation in the next few weeks.

They will be bringing some very hard-driven recommendations forward.

President Pomerantz underscored the importance of what the Peat Marwick Main firm was doing. He felt there was a fine attitude of cooperation among all persons concerned and that they would continue to work through this procedure to ensure that the best possible recommendations come forward. He emphasized

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that any savings they can recommend as a result of this process will remain with the institution from which it comes.

Mr. Carney stated that ultimately it will be the Board and the institutions that will decide which of their recommendations to accept and implement.

Regent Fitzgibbon said an involvement by students in this process was not addressed earlier. He felt that the students should be involved in something of this magnitude.

President Pomerantz asked that if there were other areas the Board has not addressed they be brought to the Board's attention.

**ACTION:** President Pomerantz stated the Board received the progress report from Peat, Marwick, Main & Co. by general consent.

**REPORT ON EMPLOYMENT TRENDS AT REGENT INSTITUTIONS.** The Board Office recommended the Board receive the report on employment trends of Regent institutions.

From March 1982 to March 1988 the number of Regent full-time employees has increased by 8.6 percent. The academic full-time faculty has increased by less than 1 percent, professional and scientific full-time staff has increased 25.4 percent, and general services full-time staff has increased 3.9 percent.

The increase of 25 percent in the number of professional and scientific staff is attributed in large part by the universities to the 44 percent increase in funding through gifts and grants for research activities. The increased research funding has required the employment of many more professional and scientific staff.

The number of part-time non-student staff, student staff and temporary staff employees at Regent institutions has increased by over 30 percent from March 1982 to March 1988. The part-time non-student staff has increased by 20.7 percent; the student staff has increased by 32.6 percent. The temporary employees increased by 17.4 percent.

The increase of 3,975 students employees from March 1982 to March 1988 is an increase of 33 percent. The universities report the increased emphasis on student aid as well as research employing graduate assistants as contributing factors.

Special school employment has dropped significantly from March 1982 to March 1988. Iowa School for the Deaf reduced employment from 237 to 177 (25 percent) from March 1982 to March 1988. During the same period the enrollment dropped from 260 to 115 (56 percent) students.

Iowa Braille and Sight Saving School reduced employment 11.8 percent from March 1982 to March 1988 while enrollment has dropped from 86 to 54 (37.2 percent).

President Pomerantz stated the universities need to be very careful that in limiting faculty that teach and adding other non-faculty staff that they ensure the staffs are growing for the right reason. He said they needed to make sure the supporting staffs are not outgrowing the organization.

Vice President Small stated that for the most part the growth is provided by research funding. The staff hired for those purposes extend the faculty's range. Faculty can devote their time to teaching while the staff does the research on a day-to-day basis.

President Pomerantz said he understood the value of staff in research efforts but was concerned that staff should not outdistance the faculty.

Vice President Moll stated that over the period of 1982 through 1988 much of the University of Iowa's personnel growth was in short-term non-tenure faculty.

**ACTION:** President Pomerantz stated the Board received the report on employment trends of Regent institutions by general consent.

**FINAL INSTITUTIONAL OPERATING BUDGETS, FY 1989.** The Board Office recommended the Board:

- (1) Approve the fiscal year 1989 final general educational fund budgets for the following budget units:

University of Iowa	
General University	\$229,699,342
University Hospitals and Clinics	199,021,000
Psychiatric Hospital	10,597,400
Hospital School	5,861,200
Oakdale Campus	3,032,112
Hygienic Laboratory	3,788,800
Family Practice	1,620,260
Specialized Child Health Services	<u>554,100</u>
(Cancer, Hemophilia, High-risk infant)	
TOTAL	\$454,174,214

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Iowa State University	
General University	\$189,826,166
Agriculture and Home Economics Experiment Station	18,194,503
Cooperative Extension Service in Agriculture and Home Economics	<u>22,087,122</u>
TOTAL	\$230,107,791
University of Northern Iowa	\$65,789,165
Iowa School for the Deaf	\$5,357,600
Iowa Braille and Sight Saving School	<u>\$3,089,562</u>
REGENT INSTITUTION TOTAL	<u>\$758,518,332</u>

(2) Approve the fiscal year 1989 final budgets for the following university residence systems:

University of Iowa	\$17,434,041
Iowa State University	22,153,960
University of Northern Iowa	9,526,000

(3) Approve the following annual salaries effective July 1, 1988:

University of Iowa, Richard D. Remington (1 month) and Hunter R. Rawlings, III (11 months)	\$143,000
Iowa State University, Gordon P. Eaton	\$143,000
University of Northern Iowa, Constantine W. Curris	\$110,000
Iowa School for the Deaf, William P. Johnson	\$ 58,000
Iowa Braille and Sight Saving School, W. Dennis Thurman	\$ 58,000

The Board received the preliminary fiscal year 1989 budgets at the May meeting. The proposed final budgets were reviewed at the June Board meeting. The Board needed to take action at this meeting to give final approval to institutional budgets.

The only change from the final budgets tentatively approved in June is by the Iowa Braille and Sight Saving School. The school proposed to transfer \$10,000 of estimated salary savings to building repairs.

Following is the average faculty salary increase policy as reported by the universities.

University of Iowa	10.0 percent
Iowa State University	10.8 percent
University of Northern Iowa	10.0 percent

The special schools proposed to achieve 7 percent faculty salary increases.

The following is average professional and scientific staff salary policy as reported by the universities.

University of Iowa	7.5 percent
Iowa State University	7.5 percent
University of Northern Iowa	7.5 percent

The University of Iowa projected a decline of approximately 800 full-time equivalent students from fiscal year 1988 to fiscal year 1989. Despite this it is expected that tuition rate increases will generate an additional \$4.8 million in revenue for fiscal year 1989.

Iowa State University projected that full-time equivalent enrollment for fiscal year 1989 will be 911 students below the fiscal year 1988 enrollment. The tuition rate increases are budgeted to generate \$4.6 million in additional revenue for fiscal year 1989.

The University of Northern Iowa projected a decline in full-time equivalent students of 178 students for fiscal year 1989 from fiscal year 1988. The expected tuition rate increases will generate an additional \$1.2 million in revenue for fiscal year 1989.

The University of Iowa General University budget of \$229,699,342 represents an increase of 7.4 percent over the fiscal year 1988 revised budget.

The budget for the University of Iowa Hospitals and Clinics for fiscal year 1989 is \$199,021,000. This is an increase of 11 percent above the fiscal year 1988 revised budget.

The budget for the University of Iowa Psychiatric Hospital for fiscal year 1989 is \$10,597,400. This is an increase of 7.8 percent over the revised fiscal year 1988 budget.

The budget for the University of Iowa Hospital School for fiscal year 1989 is \$5,861,200. This is an increase of 8.2 percent over the fiscal year 1988 budget. The Hospital School requested approval of a 7 percent rate increase.

The budget for the University of Iowa Oakdale Campus is \$3,032,112. This is an increase of 1.8 percent over the revised fiscal year 1988 budget.

The University of Iowa Hygienic Laboratory budget for fiscal year 1989 is \$3,788,800. This is an increase of 7.5 percent over the fiscal year 1988 budget.

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The University of Iowa Family Practice Program budget for fiscal year 1989 is \$1,620,260. This is an increase of 5.8 percent over the fiscal year 1988 budget.

The budget for the University of Iowa Specialized Child Health Services (Cancer, Hemophilia, High-Risk Infant) is \$554,100. This is an increase of 8.4 percent over the revised fiscal year 1988 budget.

The Iowa State University General University budget of \$189,826,166 represents an increase of 9.9 percent over the fiscal year 1988 budget.

The Iowa State University Experiment Station budget of \$18,194,503 represents an increase of 6.9 percent over the fiscal year 1988 revised budget.

The Iowa State University Cooperative Extension Service budget is \$22,087,122 for fiscal year 1989. This is an increase of 13.7 percent over the fiscal year 1988 budget.

The University of Northern Iowa proposed a budget for fiscal year 1989 of \$65,789,165. This is an increase of 8.3 percent, or \$5,037,522 more than the fiscal year 1988 budget.

The Iowa School for the Deaf proposed a budget for fiscal year 1989 of \$5,357,600. This is an increase of 4.5 percent from the revised fiscal year 1988 budget.

The Iowa Braille and Sight Saving School proposed a budget for fiscal year 1989 of \$3,089,562. This is an increase of 4.4 percent, or \$130,795 more than the fiscal year 1988 budget.

MOTION: Regent Fitzgibbon moved to approve the annual salaries for the Regent institutional heads effective July 1, 1988, as presented. Regent Harris seconded the motion, and it carried unanimously.

MOTION: Regent Harris moved to approve the fiscal year 1989 final general educational fund budgets as presented. Regent Duchon seconded the motion, and it carried unanimously.

MOTION: Regent VanEkeren moved to approve the fiscal year 1989 final budgets for the university residence systems, as presented. Regent Harris seconded the motion, and it carried unanimously.

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**UNIT COST STUDY.** The Board Office recommended (1) that the Board receive the unit and variable cost of instruction reports for 1986-87 and (2) that the universities be requested to submit updated estimates to the Board Office of unit costs for the 1987-88 year by mid-January 1989.

The overall Regent university general fund unit cost of instruction for 1986-87 was 7.3 percent above that reported two years earlier, representing a 3.65 percent average increase. During the same period, the Higher Education Price Index increased by 8.8 percent or an average annual increase of 4.4 percent.

The composite general fund unit cost of instructing a student at the Regent universities in 1986-87 was \$5,741. This composite cost ranged from \$3,378 for a lower division undergraduate student to \$19,906 for a professional level student.

The composite general fund unit cost of instruction for all student levels was highest at the University of Iowa (\$6,497), largely as a result of costly advanced graduate and professional level programs. The composite unit cost at Iowa State University was \$5,558. The composite unit cost at the University of Northern Iowa (\$4,293) did not change from the 1984-85 cost study.

The overall composite undergraduate general fund unit cost was \$4,182, \$3,919 at the University of Iowa, \$4,466 at Iowa State University and \$4,293 at the University of Northern Iowa. The difference between the University of Iowa and Iowa State University may be due, in part, to a greater proportion of undergraduates in more costly science and engineering programs at Iowa State University. The University of Iowa has substantially lower unit costs for undergraduate instruction than either the Iowa State University or the University of Northern Iowa.

The variable cost of instruction (the unit cost minus the fixed cost) for the Regent universities was \$4,106 for 1986-87. Variable costs represent 71 percent of total unit costs and increased by 8.1 percent from 1984-85 to 1986-87.

Expressed in constant dollar terms, the composite general fund unit cost has decreased from a high in 1978-79. The increase in unit costs between 1984-85 and 1986-87 was less than the increase in higher education costs resulting from inflation.

Changes in the mix of academic programs, increases in graduate programs, specialized and technological programs and changes in the mix of students can cause unit cost changes.

Regent Duchen stated he has heard for many years that when the universities add graduate programs they won't cost any more because of all they already have in place. He said this report is now saying that it costs more because

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of the more sophisticated programs. He felt that in the state of Iowa it should not cost more for a student at one institution than at another. He felt very uncomfortable in reading all these statistics.

President Pomerantz asked how accurate the numbers are and what kind of assumptions are used.

Vice President Madden responded that there are a series of assumptions. He said they have stayed with basically the same methodology in order to provide consistency. It was his assessment that at the aggregate level it was probably a good assumption. He said the biggest single component of cost (70-80 percent) is faculty salaries. For a number of reasons they have not gone out and collected new faculty workload allocations. He acknowledged that they don't have as accurate a data base as perhaps they should have. One factor that varies costs is that one institution could have more teaching assistants than another. He said the formulas have a basis for them. There has been a reluctance over time to change the assumptions.

Vice President McCandless stated that many studies use the formula allocation. Very often what they do take into consideration is that the costs of faculty in various disciplines varies greatly. The amount of equipment required also varies among disciplines.

Vice President Moll stated that at the University of Iowa 80 percent of the students are majoring in the college of liberal arts. Iowa State University has a lot of other undergraduate colleges. He questioned whether some of the assumptions are still valid.

President Pomerantz asked for the purpose of collecting these numbers.

Mr. Richey said the main reason is to examine trends. At the time these formulas were built the information was presumably to be used as a device for requesting funds for enrollment growth. They did a careful job of constructing them. He said the fact that libraries are weighted by certain amounts for advanced graduate students was not just an accident. That was the best guess at that time. He said it takes more money for a graduate than an undergraduate student.

Regent Fitzgibbon asked what was needed to ensure that these figures are accurate.

President Pomerantz stated they will be using this type of cost accounting to determine important issues that have significant policy impact. He said that if they can't have comfort in the information they either need to modernize the assumptions or not bother to do the activity.

Regent Fitzgibbon said that in the near future someone needs to find out how to put together something they are comfortable with.

Mr. Richey said it will be addressed in the organizational audit.

Director Eisenhauer said it was her understanding that a committee of representatives from the universities and the Board Office regularly review this process and the assumptions.

Regent Fitzgibbon said the committee should determine whether those assumptions are still valid.

Vice President Madden said that once the Peat Marwick Main study is completed that should reflect whether any changes are needed.

**ACTION:** President Pomerantz asked Mr. Richey and representatives of the universities and Peat Marwick Main, if appropriate, to report at the next meeting.

**REPORT ON FACULTY ACTIVITY.** The Board Office recommended the Board receive the report of the three universities regarding faculty activity analysis.

Based on a study of reported faculty effort, the total faculty effort for teaching at the Regent universities is 76.1 percent (ISU), 73.9 percent (UNI), and 60.7 percent (SUI).

In general, senior faculty tend to spend a lower percent of their effort teaching and a higher percentage of total effort in administrative activities and research than less senior faculty.

The percentage of total faculty effort involved in teaching, research, and administration varies significantly between collegiate units as a result of different assignment patterns, differences in disciplines, and differences in the availability of research funding, among other things.

While there have been some changes in the percent of total effort between the six reporting categories, since 1986 it is only speculative as to whether these changes have resulted in any major impacts on teaching, research, and service, or are a result of the techniques of data collection.

The mean number of hours worked per week is reported to be 57.4 (SUI), 55.4 (ISU), and 56.4 (UNI).

Director Barak pointed out that nationally these reports are taken with a grain of salt because of the nature of self-reported data. There are also differences in reporting among the institutions. He suggested that the same committee referred to in the previous docket item ought to review this as well. He also noted that faculty workload was a part of the Organizational audit and that the consultants are currently working on it.

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President Pomerantz said that since this is similar to the previous issue they should include it in the same package to be reported back on.

**ACTION:** President Pomerantz stated the Board received the report of the three universities regarding faculty activity analysis by general consent.

**BUDGET DEVELOPMENT FOR FISCAL YEARS 1990 AND 1991.** The Board Office recommended the Board receive the report on the budget request process.

The Iowa Code Section 8.23 currently requires that all state agencies submit budget requests by September 1. Traditionally, the Board of Regents has considered preliminary budgets in September and authorized final budgets in October.

The Department of Management reports that the same forms and formats of past years will be used except the budget requests are to cover a two-year period, fiscal year 1990 and fiscal year 1991. It is not known if the legislature will act on a biennial budget request, but the Governor is requiring all agencies to submit requests for two years. The Board Office will be distributing the new Department of Management budget procedures manual in the near future.

Directions from the Board at its September meeting will enable the institutions to provide additional information and restructure requests as appropriate to meet the Board's requirements prior to decision making in October. Interinstitutional discussion began in June on a variety of budget issues, but particularly salary policy. Individual institutional budget requests are due in the Board Office in early September.

President Curris is chairing the interinstitutional group on budget development. This group will have met twice by the time of the Board meeting.

Director Eisenhower said the wheels are beginning to turn for the 1990-1991 budget process. The Governor would like to see a two-year request. The institutions will respond to the Governor's request. Interinstitutional meetings have taken place. They anticipate that the interinstitutional group on budget development will make a full report to the Board in September.

**ACTION:** President Pomerantz stated the Board received the report on the budget request process by general consent.

**REPORT ON REQUESTS FOR PROPOSALS REGARDING CAPITAL APPRECIATION BONDS.** The Board Office recommended the Board approve the request for proposals (RFP)

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soliciting an underwriting manager and selling group for up to \$10 million in capital appreciation bonds.

In 1988, the Iowa General Assembly established the Iowa Super College Savings Program. The purpose of the Program is to encourage and to facilitate savings for future higher education costs.

The legislation authorized the Board of Regents to issue up to \$19 million principal amount of Academic Building Revenue Bonds in the form of capital appreciation bonds. Capital appreciation bonds do not pay interest semi-annually, but rather accrue and compound interest to be paid out at the time of bond maturity. The maximum amount of bonds to be issued at this time will be approximately \$10 million.

Responding to legislative requirements as well as the needs of the universities made the development of a request for proposals complex. A collective effort involving the Board's bond counsel, financial advisor and Board Office staff has produced a proposed document that should achieve the goals of the legislation and the goals of the Board.

The request for proposals promotes maximum competition to the extent permitted by law and minimizes issuance costs. The use of additional interest certificates as a means of underwriter compensation will minimize reductions in university project budgets.

Additional interest certificates are an infrequently used method of providing compensation for underwriters. They are used in place of underwriter discounts. The additional interest certificates (known as "B Coupons" in the days of bearer bonds) are payable typically within two years of bond issuance at a separately-stated interest rate and are separately registered instruments.

Director Eisenhower introduced Luther Anderson to provide highlights of the Request for Proposal.

Mr. Anderson said this is a very unique bond sale. HF 2377 authorized the Board of Regents to sell up to \$19 million as college super savings bonds. A number of provisions were built into that legislation. Interest being deferred and paid at maturity is one feature of the bond issuance. A number of other features emerged through the legislative process such as the designation as college savings bonds intended to be marketed to Iowa families to finance higher education. Widespread notification must take place two weeks prior to sale of the bonds. There is also a requirement that at least half of the bonds be available in amounts as small as \$1,000. Another provision of the legislation is to negotiate with a single underwriter or group of underwriters and preference is to be given to an Iowa domiciled firm. If those two requirements cannot be met the Board is not required to issue in this particular format.

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Mr. Anderson said they should keep in mind the cash flow of the projects to be financed. He said that given those objectives, the Request for Proposals (RFP) has been put together. To meet those objectives they have tried to keep the cost as low as possible. The RFP was structured so that the underwriters will be required to submit interest rates as of the date of the proposals. Those numbers will be evaluated and will become caps subject to week-to-week changes in the bond buyer index. To meet the other legislative requirements the burden will be placed on the proposers to provide a marketing plan and to address the requirement to sell the bonds in small denominations.

The requirement to give preference to an Iowa domiciled firm is dealt with by the provision that if one or more proposals are felt to be substantially equal the preference will be given to the Iowa domiciled firm -- if the proposals are within five basis points of each other the preference will be treated as a tie breaker.

Mr. Anderson said the RFP was structured to preserve as much of the bond proceeds as possible and to keep the issuance cost, including the underwriting fees, as low as possible, and to keep the underwriting costs from being an actual discount. They are utilizing a procedure which is not seen much any more. Additional interest certificates are to be used as underwritten compensation. These are similar to "B" coupons in the days of bearer bonds. They are short-term bonds. As protection for the Board, a number of rights have been reserved including the right to reject all proposals, to limit the bonds sold and that once an underwriting firm is selected the Board still has the right not to proceed at all.

Director Eisenhower stated the bid schedule looks like a fairly comfortable one. It is a fast-paced schedule. Special requirements in the legislation require that the sale take longer. An educational program needs to be developed and notification must be broadly distributed. She noted that later in the meeting the Board members would be presented with a recommendation to sell additional bonds in September by way of converting the utility bonds of the University of Iowa.

President Pomerantz suggested they could move this bond sale up to October. If Board meetings are an issue, they can have a teleconference meeting to expedite this schedule.

Mr. Anderson said he hesitated to endorse that idea. The last utility system bonds were sold in May. Of the \$15 million sold in May, \$6 million have not yet been sold.

President Pomerantz agreed with the legislature's mandate in establishing that \$1,000 bonds be sold. They will be appealing to a different market. He

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suggested the bond advisors consider moving the schedule up a couple weeks into October and report back to Mr. Richey on the practicality of doing that.

Regent Fitzgibbon said it was the obligation of the Board to preserve the bond value. He said he would not feel comfortable with accepting this and just running it through. He said these are heavy decisions to be made and he didn't want to do it on the telephone.

President Pomerantz said the Board will be back in a public meeting in September. By then the issue will be drawn one way or another. If there are other subsequent meetings necessary, they can be established.

Mr. Anderson said that the schedule as it stands now is for the proposals to be received on August 9. After that they will interview the finalists. He did not think they would be prepared to make a final recommendation on an underwriter before September 1.

Regent Fitzgibbon stated that the Request for Proposals was a job well done.

President Pomerantz said that in addition to a telephonic Board meeting the Banking Committee could also meet.

Regent Fitzgibbon said that what they were really doing was trying to shorten this up a couple weeks, which he said might be a possibility. However, he didn't want to do anything that might harm preserving the value of these bonds.

Mr. Anderson said that issue was particularly important if the decision was to issue the full \$19 million. Regent Williams said that one concern was the rising interest rates so a couple of weeks could make a difference.

Regent Duchon asked whether the market was there to sell to. Mr. Anderson said the bonds have to be available in \$1,000 denominations. If the market isn't there, small amounts might be made available for a certain number of days, then large blocks can be bought.

Regent Fitzgibbon asked that the Board be kept informed of where all this is moving. Regent Williams said she felt that the Banking Committee should be informed first on this. Regent Fitzgibbon said the Banking Committee will not take action without the Board.

Mr. Anderson said that, as far as the interest rates, the philosophy has been that the Regents take the ups and the downs.

Director Eisenhower recommended that the Board approve the RFP as it was presented and authorize the executive secretary to make any fine tuning adjustments in consultation with the Banking Committee chairman and the bond advisor.

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President Pomerantz asked that the motion include that, under the proper circumstances, they will issue the bonds in the month of October.

**MOTION:**

Regent Duchen moved to approve the request for proposals (RFP) soliciting an underwriting manager and selling group for up to \$10 million in capital appreciation bonds, that the executive secretary be authorized to make any fine tuning adjustments in consultation with the Banking Committee chairman and the bond advisor, and that under the proper circumstances they will issue the bonds in the month of October. Regent Williams seconded the motion, and upon the roll being called, the following voted:

AYE: Duchen, Fitzgibbon, Harris, Pomerantz, VanEkeren, Williams.

NAY: None.

ABSENT: Greig, Tyler, VanGilst.

Regent Harris asked if the motion would indicate that they are complying with legislative intent. President Pomerantz said the motion was only slightly changed from the Board Office recommendation and was very carefully detailed so it complies with legislative intent.

**PROPOSED EMERGENCY RULES ON COMPETITION WITH PRIVATE BUSINESS.** The Board Office recommended the Board adopt emergency rules to comply with the provisions of House File 529 with the understanding that the Executive Secretary will appoint an interinstitutional committee to review all goods and services sold by the institutions that may compete with private enterprise and to make recommendations to the Board for the adoption of permanent administrative rules.

House File 529 prohibits state agencies, including Regent institutions, from engaging in activities which compete with private enterprise. Specific Regent activities to which these provisions do not apply include residence halls, transportation, souvenirs and goods or services sold as part of the schools' mission.

The Board of Regents may, by rule, exempt several additional activities such as goods and services that are directly related to a school's educational mission. The Board, in prior discussions, indicated an interest in reviewing all the activities of Regents institutions to identify and eliminate inappropriate competition with private enterprise. To perform this task competently, it was proposed that an interinstitutional committee be established by the Executive Secretary to accomplish the following tasks:

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- a. identify goods and services provided by Regent institutions,
- b. determine which goods and services should be considered exempt and the basis for the exemption as provided in House File 529,
- c. develop proposed administrative rules, and
- d. make recommendations concerning an appeal process for individuals who feel aggrieved by any rulemaking decision made by an institution regarding the provision of goods or services.

The interinstitutional committee will submit its recommendations and proposed final administrative rules to the Board in January.

In the meantime, it was proposed that the Board adopt the emergency rules in order to comply with the provisions of House File 529. The emergency rules exempt those activities which the Board is authorized in the legislation to exempt. The emergency rules also establish an appeal process for resolving complaints of unlawful competition with private enterprise.

Director Eisenhower requested the Board approve the emergency rules with the understanding that the executive secretary will appoint an interinstitutional committee to develop final rules to be presented in January.

Regent Fitzgibbon suggested they consider some kind of Board participation in that selection because they are dealing now with private enterprise.

**MOTION:**

Regent Fitzgibbon moved to adopt emergency rules to comply with the provisions of House File 529 with the understanding that the Executive Secretary will appoint an interinstitutional committee to review all goods and services sold by the institutions that may compete with private enterprise and to make recommendations to the Board for the adoption of permanent administrative rules. Regent Williams seconded the motion, and upon the roll being called, the following voted:

AYE: Duchen, Fitzgibbon, Harris, Pomerantz, VanEkeren, Williams.

NAY: None.

ABSENT: Greig, Tyler, VanGilst.

**COMMITTEE APPOINTMENTS.** The Board Office recommended the Board approve the appointments as shown below.

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a. IOWA ECONOMIC DEVELOPMENT BOARD

Appoint

Term Expires

Dr. Hunter Rawlings III

June 30, 1989

b. IOWA BRAILLE AND SIGHT SAVING SCHOOL ADVISORY COMMITTEE

Reappoint

Term Expires

Dr. Kenneth Kavale, University of Iowa

June 30, 1990

Dr. Elizabeth Ann Thompson, Iowa State University

June 30, 1990

Dr. Susan Hamre-Nietupski, University of Northern Iowa

June 30, 1990

Reappoint as Consultant

Dr. Virginia Sowell, Asst. Vice-President of Academic  
Affairs at Texas Tech University

June 30, 1990

c. IOWA SCHOOL FOR THE DEAF ADVISORY COMMITTEE

Reappoint

Term Expires

Dr. Charles Anderson, University of Iowa

June 30, 1990

Dr. Anton Netusil, Iowa State University

June 30, 1990

Appoint

Dr. Richard Stinchfield, University of Northern Iowa

June 30, 1990

Appoint as Consultant

Dr. Roberta Truax, Professor of Special Education at  
University of Cincinnati

June 30, 1990

d. NARROWCAST TELECOMMUNICATIONS ADVISORY COMMITTEE

The Board of Regents was asked to recommend one male and one female classroom teacher to represent the Regent universities on this committee. The final selection of the committee member will be made by the Iowa Public Broadcasting Board. Consultation is underway with the Executive Director of Iowa Public Television. The Board will be apprised of the result of the consultation.

**ACTION:**

President Pomerantz stated the Board approved the appointments, as presented, as a consent item.

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**RESIDENCY APPEAL.** The Board Office recommended the Board uphold the nonresident classification as established by the University of Iowa.

The Regents Registrars and Admissions Officers Coordination Committee indicated that Mr. White was classified as a nonresident when he was graduated from the University of Iowa in 1977. He stated he came back to Iowa during the summers of 1982 through 1986 attempting to find work in the state. However, he did not find employment, and either worked or attended school out-of-state until his return to the University of Iowa in Spring 1987. The committee found that Mr. White returned to Iowa for the purpose of education and that he had not demonstrated his previous domicile had been abandoned and an Iowa domicile established.

**MOTION:** Regent Williams moved to uphold the nonresident classification as established by the University of Iowa. Regent VanEkeren seconded the motion, and it carried unanimously.

**CHANGE IN BOARD OFFICE PROFESSIONAL AND SCIENTIFIC CLASSIFICATION PLAN.**

**ACTION:** President Pomerantz stated this item was deferred.

**FINAL BUDGET, BOARD OFFICE 1988-89.** The Board Office recommended the Board approve the Board Office budget of \$1,036,976 for fiscal year 1989.

The Board of Regents approved a preliminary budget of \$996,043 for operation of the Board Office for fiscal year 1989. The proposed final budget reflects an increase of \$40,933. This amount includes \$10,500 for the 27th pay period for employees of the Board Office paid from institutional reimbursements, \$18,000 for the salary of the Executive Secretary, \$9,000 for the salary of the Associate Director for Business and Finance and \$1,800 for annual leave pay out for a departing employee. The funds for the 27th pay period occur in fiscal year 1989 only and will not be a part of the continuing budget.

The travel budget was amended slightly. An increase of \$1,000 was included for the Board of Regents and \$1,000 for the Personnel and Employment Relations Unit. The latter is for the additional travel required for collective bargaining at the University of Northern Iowa and will be reimbursed directly by the university.

The change in funding of the Board Office budget from the approved preliminary budget involves both appropriations and institutional reimbursements. Appropriations were increased by approximately \$19,000 from the estimate in the preliminary budget while institutional reimbursements were increased by about \$21,000.

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The level of programs and operations of the Board Office during fiscal year 1989 are unchanged from those projected when the preliminary budget was approved in May.

**MOTION:** Regent Harris moved to approve the Board Office budget of \$1,036,976 for fiscal year 1989. Regent Fitzgibbon seconded the motion, and it carried unanimously.

**BOARD OFFICE PERSONNEL REGISTER.** The Board Office recommended that the Board approve the Register as outlined below for July 1988.

Transfer:

Linda Kading, transfer from the Department of Management to the position of Associate Director, Business and Finance, at an annual salary of \$54,060 plus the usual fringe benefits effective July 22, 1988.

**ACTION:** President Pomerantz stated the Board Office Personnel Register for July 1988 was approved as a consent item.

**NEXT MEETINGS SCHEDULE.** The Board Office recommended the Board review the next meetings schedule.

July 22	Room 116, Capitol Building	Des Moines
August	NO MEETING	
September 8	Electronic	Des Moines and Institutions
September 14-15	University of Iowa	Iowa City
October 19-20	Dubuque Inn	Dubuque
November 16-17	University of Northern Iowa	Cedar Falls
December 14-15	Marriott Hotel	Des Moines
January 18-19, 1989	Iowa State University	Ames
February 15-16	Marriott Hotel	Des Moines
March 15-16	Iowa School for the Deaf	Council Bluffs
April 12	University of Iowa	Iowa City
April 13	Iowa Braille and Sight Saving School	Vinton
May 24-25	(To Be Designated)	Atlantic

President Pomerantz noted that a joint meeting of post-secondary education boards had been called by the Governor for July 22 in Des Moines. An electronic meeting was proposed for September 8 for the conversion of \$20.7 million University of Iowa variable rate bonds.

Regent Harris said that as trustees of the University of Iowa Hospitals and Clinics the Board members should spend time visiting there. He said those who have not seen the University of Iowa Hygienic Lab might find it

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interesting. He said they must be certain that in viewing different areas of the hospital they do not interfere with patient tests that will be going on at the time.

President Pomerantz said that prior to the September meeting they should make a point to talk to President Rawlings and Mr. Colloton to see if they can schedule the Board to meet at the university three times a year in order to get more involved in the hospital governance issues. He said that would be discussed more fully between now and the next meeting and will be brought back to the Board at the next meeting.

Regent Harris said he felt the Board should have an opportunity to see what miracles are created in those buildings.

**ACTION:** President Pomerantz stated the meetings schedule was received by general consent.

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

## STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Friday, July 15, 1988.

**REGISTER OF PERSONNEL CHANGES.** The Board Office noted that due to the July Board meeting being held earlier in the month, the Register of Personnel Transactions for June was not received in the Board Office for review. Upon receipt, it will be reviewed and presented to the Board for ratification at its September meeting.

**PH.D. PROGRAM IN MOLECULAR BIOLOGY.** The Board Office recommended the Board refer to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The University of Iowa proposed an interdisciplinary Ph.D. program in Molecular Biology involving a number of departments within the university.

This program with obvious interinstitutional implications (i.e., duplication with major effort in this area at Iowa State University) was recommended for referral to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

**ACTION:** President Pomerantz stated the Board referred this proposal to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation by general consent.

**APPOINTMENTS.** The Board Office requested that the Board approve the appointment of administrators, as follows:

1. MICHAEL S. CHIBNIK, Chair, Department of Anthropology, College of Liberal Arts, effective August 29, 1988, for a term of three years, at an academic-year salary of \$36,000.
2. WILLIAM D. PETASNICK, Deputy Director, University of Iowa Hospitals and Clinics, serving at the pleasure of the university president, effective August 1, 1988, at a fiscal year salary of \$135,000.

Vice President Moll presented the following supplemental appointments:

3. PETER S. FISHER, Chair of the Graduate Program in Urban and Regional Planning, effective July 16, 1988, for a one-year term, at his currently-budgeted academic-year salary of \$50,000.

4. DEREK H. WILLARD, Acting Director of the Institute of Child Behavior and Development, effective July 16, at his current fiscal year salary of \$66,500.
5. DONALD J. PIETRZYK, Acting Chair of the Department of Chemistry, effective August 29, 1988, for an additional one-year term, at an academic-year salary of \$70,000.

MOTION: Regent Duchen moved to approve the appointment of administrators, as presented. Regent VanEkeren seconded the motion, and it carried unanimously.

**PROFESSIONAL AND SCIENTIFIC CLASSIFICATION CHANGES.** The Board Office recommended that the Board approve (1) the new class of Chief Nuclear Pharmacist in Grade 12 (\$31,975-\$54,605) and (2) a change from Hospital Personnel Assistant, Grade 8 (\$23,500-\$39,425) to Hospital Personnel Specialist in Grade 9 (\$25,220-\$42,660).

The proposed new class, Chief Nuclear Pharmacist, is needed to supervise expanding activities in radiopharmaceuticals in the Nuclear Medicine Division of the Department of Radiology.

Increased duties and responsibilities since the class was first established in 1980 have led to the proposed change from Hospital Personnel Assistant in Grade 8 to Hospital Personnel Specialist in Grade 9.

MOTION: Regent VanEkeren moved to approve (1) the new class of Chief Nuclear Pharmacist in Grade 12 (\$31,975-\$54,605) and (2) a change from Hospital Personnel Assistant, Grade 8 (\$23,500-\$39,425) to Hospital Personnel Specialist in Grade 9 (\$25,220-\$42,660). Regent Williams seconded the motion, and it carried unanimously.

**REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.** The Board Office recommended the Board approve the Register of Capital Improvement Business Transactions.

#### PROJECT DESCRIPTIONS AND BUDGETS

The university presented revised budgets on the following projects.

<u>Laser Laboratory Building</u>	Original Budget	<u>\$25,100,000</u>
Source of Funds: 72nd General Assembly	Revised Budget	<u>\$25,100,000</u>
Academic Revenue Bond Sales		

The Board approved the project description, design and budget for this project at the January 1988 meeting after reviewing preliminary plans for the project at the December 1987 meeting. Continuing concerns over project cost, cost per square foot, and the net-to-gross efficiency of the project, as well as concerns over the absence of funds for equipment were expressed at the January meeting. The university was instructed to continue to work on these issues during the design development phase and to report back to the Board at the completion of design development. An appointment was established for this meeting for the university and its architect, Herbert Lewis Kruse and Blunck, to review with the Board this project.

Vice President Phillips stated that the Board considered this project in December and January, and approved the project description design and budget. At the same time it asked university officials to go back and review the entire cost structure and for some provision in the budget for equipment. Based on that request she said they went back to the drawing board. University officials provided a progress report in March on what kind of cost adjustments they were trying to make and to provide for equipment.

They docketed the item for consideration at the June Board meeting knowing they would be receiving the next round of cost estimates shortly before the Board meeting. When the cost estimates came in, they were higher than the budget. University officials deferred the presentation. They have been working since then to pull the whole project back into budget.

The project has been downsized and some cuts were made to the project. The design was tightened somewhat. Many of the pressures on the cost for the project are related to the mechanical system. University officials worked with the laser scientists to make some cuts to the project. The cuts made do not affect the usefulness of the project and the program will comfortably fit into the building as now proposed. Provisions have also been included in the budget for equipment.

Mr. Gibson said they are at the end of the design development phase. During the next phase they will actively develop plans and specifications.

Mr. Gibson introduced the design team representatives. He said Bobbie Weiser of the Frank O. Gehry firm would present slides of the redesigned project.

Ms. Weiser said the functioning and the lay out of the project has stayed the same. It contains a three-story lab space and a support lab of one story. There are office spaces for faculty, staff, and chair people. There is a conference/meeting area. In response to the Board's comments in January they went back and looked at the design to make changes that would not impact the program. The corridor area was reduced. Areas underneath the building including the mechanical/utility tunnel system were examined. In addition, the overall design and character of the building was re-examined. After

doing that they found they still had a concern with the budget. One bay of the lab area and the corresponding corridor were then reduced.

Regent Duchen asked for clarification on the width of the corridors. Ms. Weiser responded that the corridors were originally 10 feet and were now 6 feet.

President Pomerantz asked when they reduce that area is there any opportunity in the future to add that back. Ms. Weiser responded that, as far as the design of the project for a future expansion, that it would be possible.

Regent Harris asked why they originally designed the corridors for 10 feet.

Ms. Weiser said the concern was in moving the equipment around. They allowed for the difference by increasing the door widths. Also, in the support labs they found that some of the rooms didn't need the same equipment.

Regent Duchen asked what the reduction in the footage of the corridors relates to in terms of dollars and cents.

Mr. Jansen of CPMI said they got it down to the lowest gross square feet and worked in architectural savings as well. He said he was not comfortable putting a dollar amount on the square footage cost of the corridor.

Regent VanEkeren asked if the support lab is at street level. Ms. Weiser responded that it was.

Regent Fitzgibbon stated they had worked hard on this project since January and he felt they had done a tremendous job. He felt comfortable with the project as it was redesigned. He said they had accomplished a great deal at the price that was needed.

**MOTION:**

Regent Fitzgibbon moved to approve the project and proceed with the next phase. Regent Harris seconded the motion, and it carried unanimously.

North Campus Parking and Chilled  
Water Facility

Original Budget \$8,745,000  
Revised Budget \$9,931,875

Preliminary Budget

	<u>April 1988 Approved Budget</u>	<u>Revised Budget</u>
Design, Inspection and Administration	\$1,024,260	\$1,149,045
Construction	7,353,400	8,185,300
Contingency	<u>367,340</u>	<u>597,530</u>
 TOTAL	 \$8,745,000 =====	 \$9,931,875 =====

The project consists of a four-level parking structure containing approximately 3,890 parking spaces, room for a central chilled water plant with a capacity of 6,000 tons of chilled water, and the mechanical equipment and cooling towers to provide an initial 2,000 tons of chilled water. The project will also include an electric substation to replace the two substations displaced by a third project, a 1 million gallon potable water storage tank for the city of Iowa City, and an outdoor play surface on the roof of the structure (two basketball courts).

The Board approved the project description, design and budget for this project at the April 1988 meeting. The university continued to review design development for energy conservation and as design proceeded it became evident that the chillers could be more efficiently powered by low pressure steam than by electricity. The university and its consultant engineers did extensive analysis on operational cost and estimate operational savings as high as \$450,000 annually.

An amount equal to the budget increase (\$1.2 million) will be funded under the master lease approved by the Board at the June 1988 meeting. The university will be putting together a comprehensive list of identifiable pieces of equipment at the time the master lease draw-down is requested. In accordance with the procedure approved by the Board in June, the Executive Secretary will approve all master lease draw-downs and they will be reported to the Banking Committee. Lease payments will be funded from anticipated energy savings.

Regent Fitzgibbon said it was great they would be able to save \$450,000 annually in energy costs. He asked how that had come about.

Vice President Phillips said it was a difference in whether they should use low-pressure steam or electrical power. University officials were disappointed that they were not able to bring this to the Board earlier but the engineering studies were not completed.

President Pomerantz stated the Board was very pleased with the savings but asked why it took so long to get it here.

Mr. Gibson said they had nearly a brand new engineering staff at the time. When they first began to research low pressure steam as an energy source for the chiller they immediately began questioning that decision and where the additional funds would come from. He said they can provide the studies to the Board staff.

Regent Fitzgibbon asked that university officials do that.

Vice President Phillips said university officials will be working with the Board Office in the development of the support papers on the draw-down on the lease.

Regent Harris said he recalled discussions when the Regents were told that when water is chilled and it goes to whatever the next stage is it is actually heated and then chilled again. He said they were told by someone that you need not warm the water and that there would be a savings by doing so. He asked if that was where they were picking up some savings.

Vice President Phillips said that the energy savings to which Regent Harris referred has to do with the air conditioning of individual buildings on campus. That is a process they are cutting out in their energy savings program.

\* \* \* \* \*

The university presented 16 new projects with budgets of less than \$200,000 that will be initiated in the coming months. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university.

#### CONSULTANT AGREEMENTS

The university requested approval of the consultant selection and negotiated agreements on two projects:

<u>Laser Laboratory Building</u>	<u>\$417,000</u>
CPMI, Inc., Des Moines, Iowa	

The university reported it received proposals from seven firms which are known to have an interest in the project. Three of the firms were interviewed and the university recommended that CPMI, Inc., be utilized and that the negotiated contract with the firm be approved. The contract negotiated by the university is for a fixed fee of \$417,000 for basic service, with reimbursables not to exceed \$195,000.

CPMI is involved in administering the Chemistry-Botany renovation project, which is located directly across the street from the location of the Laser Laboratory facilities. Among the factors which led to the selection of CPMI were the efficiencies involved in operating projects as geographically close as these and the availability of back-up services being available for both of the projects.

Agricultural Medicine Research Facility \$38,500  
Research Laboratory Renovation, Oakdale Campus  
 Kimmel-Jensen-Wegerer-Wray, Rock Island, Illinois

The contract negotiated by the university is for a fixed fee of \$38,500 for mechanical and electrical design, bidding and construction services, with reimbursables not to exceed \$4,000.

KJWW is involved as consultants with the proposed Laser Laboratory Building.

The university presented one amendment to a consultant agreement for approval by the Board.

Main Power Plant Boiler Replacement Program--Phase I  
 Stanley Consultants, Inc., Muscatine, Iowa

The university requested approval of the fourth amendment for additional engineering services on the Main Power Plant Replacement Program. The additional work covered by the proposed amendment would include construction management and engineering design by the firm on various contracts.

The amendment proposed increases the agreement amount to \$4,351,145 or 14.7 percent of the \$29.5 million project cost, as follows:

	<u>Description</u>	<u>Approved</u>	<u>Amount</u>
Original contract		Feb. 1985	\$ 258,000
Amendment #1	Final design services	July 1985	2,242,000
Amendment #2	Construction management-- various contracts	Nov. 1985	984,000
Amendment #3	Engineering design, Electrical Substation L	April 1986	363,000
Amendment #4	Engineering design and construction management-- various contracts	Proposed	<u>504,145</u>
TOTAL			\$4,351,145

## CONSTRUCTION CONTRACTS

The university requested approval of the following construction contract:

### Newton Road Reconstruction (Rejection of Bids)

Only one bid was received on this project, from Metro Pavers, Inc. The bid of \$269,252 plus \$24,400 for alternates exceeded the construction budget. The university recommended that the project be re-bid at a later date.

The following construction contract was awarded by the Executive Secretary:

Bowen Science Building--Remodel 3-700 Core \$333,865  
Award to: McComas-Lacina Construction Company, Inc., Iowa City, Iowa  
(2 bids received)

## CHANGE ORDERS TO CONSTRUCTION CONTRACTS

Field House Addition Increase \$52,262  
The Weitz Company, Inc., Des Moines, Iowa

The university requested approval of this change order for the installation of a two-stop elevator for access by handicapped persons to the building. Approval of this change order will not require an adjustment in the project budget of \$5,610,000.

### MOTION:

Regent Harris moved to approve the university's capital register. Regent Williams seconded the motion, and it carried unanimously.

**CAMPUS VIDEO RATES.** The Board Office recommended that the Board approve rates for subscription to Campus Video System entertainment as requested by the university.

Campus Video System was approved as a cablevision provider on campus in December 1986. The Board approved subscription rates in December 1986 which were in effect through the 1987-88 academic year.

The university requested an increase in the academic year rate for basic service of 19 percent for the 1988-89 academic year. The increase was developed with faculty and student representatives.

Vice President Phillips said they offer cable video subscriptions in the residence systems. The original projection was that thirty percent of the students would subscribe; however, less than that number actually subscribed.

She noted that this is still a significantly lower rate than those charged off campus.

The recommended rate will permit Campus Video to meet its obligations to Heritage Cablevision which provides the programming, and its obligations to the university for debt service on its internal loan.

**MOTION:** Regent Williams moved to approve rates for subscription to Campus Video System entertainment as requested by the university. Regent Fitzgibbon seconded the motion, and it carried unanimously.

**FINAL BUDGETS - 1988-89.**

There were no proposed changes in the budgets for the University of Iowa from the tentative budgets approved in June. The proposed final operating budget for all university units for fiscal year 1989 is \$454.2 million. In addition, the university estimated the fiscal year 1989 expenditure of \$262.9 million in restricted funds. Restricted funds include federal funds, nonfederal gifts and grants, sales and services including auxiliary enterprises and organized activities, other income and bond revenue proceeds.

Changes in the collegial instructional budgets are summarized below for fiscal year 1989 over fiscal year 1988.

Percent Change in Instructional Budgets

<u>College</u>	<u>FY 1989 over FY 1988</u>
Liberal Arts	8.3 percent
Business Administration	8.6
Dentistry	7.8
Education	7.1
Engineering	11.4
Graduate College	7.5
Law	13.0
Medicine	9.6
Nursing	9.2
Pharmacy	11.4
Summer Session	9.9
Total Instructional Program	8.8 percent

The major emphases for fiscal year 1989 among the college instructional budgets is in Engineering, Law, and Pharmacy. The percentage changes in instructional budgets for those colleges are 11.4 percent, 13 percent, and

11.4 percent, respectively. The smallest increase of any college is 7.1 percent for the College of Education.

**MOTION:** The motion was made and appears under the "General" section of these Minutes on page 16.

**UTILITY SYSTEM BOND CONVERSION.** The Board Office recommended the Board (1) receive a report describing the intention of the University of Iowa to take steps for the additional conversion of variable rate utility system revenue bonds on October 1, 1988; and (2) authorize an electronic Board meeting on September 8, 1988, to approve the conversion and set the rate of interest on the bonds.

In December 1985, the Board Office issued \$32.5 million in variable rate revenue bonds on behalf of Iowa State University and \$35.7 million in variable rate revenue bonds on behalf of the University of Iowa. These bonds were to finance major power plant replacement activities at the two universities. At the time the bonds were issued as variable rate, it was anticipated for the bonds to be converted to a fixed rate and sold within the "Iowa Market" at the time the projects were completed. The projects at both universities are now in the process of being completed and are expected to be in use by the end of the year.

The Board approved the first conversion of \$15 million in University of Iowa utility system revenue bonds at an electronic meeting held on May 11. Those bonds were converted from the variable to a fixed rate on June 1. The University of Iowa has an additional \$20,700,000 in variable rate utility system revenue bonds for which the university has indicated a desire to convert to a fixed rate on October 1, 1988.

The interest on the bonds is now adjusted each week. With the conversion, \$16 million in variable rate bonds would be sold in the "Iowa Market" as fixed rate bonds with maturities ranging from two years to 25 years.

The conversion must occur on an interest payment date. For the Board to convert the bonds on October 1 requires action establishing the fixed interest rates not later than twenty days prior to the date of conversion. Therefore, the Board was asked to conduct an electronic meeting on September 8 for the purposes of approving the conversion and the rate of interest on the bonds.

Vice President Phillips stated that university officials will be working with the Board Office and making assessments as to what would be an acceptable interest rate for the conversion. If interest rates should take off they would be prepared to recommend that all bids be rejected and not go for the conversion at this time.

Regent Fitzgibbon asked if someone is going to orchestrate this since all these different bond sales are going on.

Mr. Richey said that Regent Fitzgibbon, Mr. Anderson and he are working together on the bond sales.

**MOTION:**

Regent Williams moved to (1) receive a report describing the intention of the University of Iowa to take steps for the additional conversion of variable rate utility system revenue bonds on October 1, 1988; and (2) authorize an electronic Board meeting on September 8, 1988, to approve the conversion and set the rate of interest on the bonds. Regent VanEkeren seconded the motion, and it carried unanimously.

**TECHNOLOGY INNOVATION CENTER LEASE.**

Vice President Phillips presented this supplemental docket item for consideration by the Board of Regents, as follows:

Action requested: Authorize Executive Secretary to approve amendment to lease.

Tenant: Solvay Veterinary, Inc.

Property: Land adjacent to Building #259, Oakdale Campus, for the purpose of placing a 12' x 50' modular office building and a corridor connection to Building #259. Parking is available adjacent to Building #259.

Term: The amendment shall be effective August 1, 1988, until August 31, 1989, with two successive one-year renewal options.

Rental: No rent will be charged for the ground space. Solvay Veterinary will pay all costs of purchasing and installing the modular structure, connecting corridor, and installation of connecting doorway in Building #259. Solvay will pay all costs associated with maintenance and operation of the structure. Upon termination of the lease, Solvay will either negotiate a transfer of the module to the University of Iowa, if so requested by the university, or remove the module and restore the property to its previous condition.

Services: The University of Iowa will install 100 amp electrical service from Building #259 to the modular structure. Solvay will be responsible to pay for utility usage.

Use of Space: The modular structure will be used for office space for Solvay personnel.

Liability: Solvay Veterinary, Inc., will be responsible for any liability claims arising from their use of the modular structure and connecting corridor.

President Pomerantz asked if the university architect had reviewed this request. Vice President Phillips responded that the architect had reviewed it.

Regent VanEkeren asked if the university would be compensated for installing the electrical service. Director Gibson reported the tenant would pay for the installation.

**MOTION:**

Regent Harris moved to authorize the Executive Secretary to approve the amendment to the lease with Solvay Veterinary, Inc. Regent Fitzgibbon seconded the motion, and upon the roll being called, the following voted:

AYE: Duchen, Fitzgibbon, Harris, Pomerantz, VanEkeren, Williams.

NAY: None.

ABSENT: Greig, Tyler, VanGilst.

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

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Friday, July 15, 1988.

**RATIFICATION OF ACTIONS IN REGISTER OF PERSONNEL CHANGES FOR JUNE 1988, INCLUDING PHASED RETIREMENT REQUEST.** The Board Office recommended that the Board approve the Register for the month of June 1988.

The Register included a request for phased retirement, as follows:

Stanley Martin Yates, (Library faculty) reducing to 75 percent time effective October 1, 1988, full retirement November 1, 1991.

**ACTION:** President Pomerantz stated the Board approved the Register for the month of June 1988 as a consent item.

**APPROVAL OF ADMINISTRATIVE APPOINTMENTS.** The Board Office recommended that the Board approve the appointment of administrators, as follows:

1. STEPHEN H. MARLEY, Interim Head, Department of Agriculture Engineering, effective July 1, 1988, until a new head is selected, at a fiscal year salary of \$64,476.
2. B. GARY REES, Professor and Chair, Department of Naval Science, effective July 1, 1988, and serving at the pleasure of the university president and the U.S. Department of Navy, at an annual salary fixed and paid by the U.S. Department of Navy and unknown to the university.
3. ROBERT S. HANSEN, Director of the Ames Laboratory and the Institute for Physical Research and Technology, effective July 1, 1988, and serving on an interim basis during 1988-89 until a new director is appointed, at a fiscal year salary of \$108,500.

Vice President McCandless presented the following supplemental appointments for approval by the Board:

4. JOHN GUY WACKER, Professor and Chair of the Department of Management, effective September 1, 1988, through June 30, 1990, salary \$77,435.
5. MARY ANN LITTRELL, Associate Professor and Interim Chair of the Department of Textiles and Clothing, effective July 1 through December 31, 1988, salary \$54,947.

6. WILLIAM L. LAYTON, Interim Chair of the Department of Psychology, effective July 1 through December 31, 1988, salary \$83,500.
7. DENNIS R. KEENEY, Professor of Agronomy and Director of the Leopold Center for Sustainable Agriculture, effective on or before October 1, 1988, salary \$84,000.
8. DR. RONALD JACKSON, Director of the Student Counseling Service, effective August 22, 1988, salary \$56,000.

MOTION: Regent Harris moved to approve the appointments, as presented. Regent Duchen seconded the motion, and it carried unanimously.

**REGISTER OF CAPITAL IMPROVEMENTS BUSINESS TRANSACTIONS.** The Board Office recommended the Board approve the capital register.

**APPROVAL OF PROGRAM STATEMENTS AND DESIGN DOCUMENTS**

Molecular Biology Building

Preliminary Budget Approved January 1988

Construction and Equipment Contracts	\$24,489,938
Design and Programming Services	2,258,000
Inspection	200,000
Plant Services	150,000
Miscellaneous	75,000
Landscaping	70,000
Utility Extensions	1,270,000
Fixed Equipment	100,000
Movable Equipment*	-0-
Art Work	152,500
Building Automation	285,000
Relocations	200,000
Telecommunications	166,400
Reserved for Future Contract and Contract Changes	<u>1,083,162</u>
TOTAL	<u>\$30,500,000</u> =====

\* If funds are not available in this project budget, movable equipment funding will be provided from other sources.

At the time the schematic design was reviewed for this project the Board asked that the university return upon completion of design development. An

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appointment was established for this meeting for the university and its architect, Hansen Lind Meyer, to review this project with the Board.

Mr. Whitman introduced Steve Rohrbach of Hansen Lind Meyer.

Mr. Rohrbach said they are at the end of the design development phase. The building was extensively reviewed with the researchers who will occupy it. Today the building is on budget and with the same program. They have maintained 64 percent efficiency and it is still a four-story building. The ground and main levels are for support and teaching areas. The second, third and fourth floors are research areas. He said the outside has gone through a design development. The exterior is an 8x8 masonry with a series of gray tones. There is masonry on the office towers and a substantial amount of glass at the atrium and lobby area. They scrutinized the net to gross and have tightened it up as much as they can.

President Pomerantz asked if 8x8 masonry is called brick. Mr. Rohrbach responded that it is masonry.

Regent Fitzgibbon said they have done a great job. He said the university is getting a lot of building for their money.

Vice President Madden said there were some questions about the timing of the bidding. He introduced Mr. Reese to talk about the schedule.

Mr. Reese said the project will be bid in phases. The early bid packages will be put out ahead of the completion package.

President Pomerantz asked for an opinion of what is happening with the construction industry right now.

Mr. Reese said that as far as the availability of manpower in Ames, jobs are currently opening up in central Iowa. If necessary, they can draw from areas outside Iowa.

Mr. Rohrbach said one reason they are bidding in phases is that they like to work on the structure over the winter and will have the project well along by spring.

Regent Fitzgibbon stated the Board needs to be fully informed and has a great deal of interest in this project. He asked if the trades are going to have ample personnel.

Mr. Reese said they would. There are no large projects in progress in Ames currently.

Regent Fitzgibbon said there are several major projects in central Iowa that are beginning at the same time as this project.

Mr. Reese said work in Des Moines is on the increase. Ames does not draw heavily from Des Moines but rather from borders north and northwest. He said they would be nervous about delaying the construction package.

President Pomerantz stated that no one was suggesting they delay but rather that they expedite.

Vice President Madden said the site work package will be bid in August.

President Pomerantz emphasized that the Regents were asking these questions with the purpose of expediting not delaying the project.

Regent Fitzgibbon said the whole Board needs to be fully informed. He said Regent Tyler has a great interest in this.

Mr. Reese said the format they are using is to the benefit of the project. They will get early pricing and will make it available to a greater number of contractors locally. There were 21 bid packages total.

Regent Williams asked about the schedule beyond the first three phases.

Mr. Rohrbach said they will bid the site work package on August 4, the concrete structure on September 29, for enclosing the building on November 17, and the February 9 bid package coincides with the completion of the drawings.

MOTION: Regent Fitzgibbon moved to approve the project and to proceed with the next phase. Regent Williams seconded the motion and it carried unanimously.

#### PROJECT DESCRIPTIONS AND BUDGETS

The university submitted two projects for approval by the Board.

<u>Molecular Biology Building--Safety Education</u>	
<u>Laboratory--Razing and Disposal</u>	<u>\$15,000</u>
Source of Funds: 72nd General Assembly Academic	
Revenue Bonds	

This project involves removing and disposing of the Safety Education Laboratory (built in 1947 and remodeled in 1960) in preparation for the construction of a new parking lot to replace parking space which will be displaced by the proposed Molecular Biology Building.

Regent Williams asked what the Safety Education Laboratory building was used for. Vice President Madden responded that it was used for a driver education



funds and estimated budgets for the projects were listed in the register prepared by the university.

**CONSULTANT AGREEMENTS**

The university requested approval of the consultant selection on two projects. The university requested permission to employ the following architects by project for architectural/engineering services through the schematic design phase. The firms will be compensated based on hourly rates with a fixed maximum as stated including reimbursables.

Swine Nutrition and Management Research Center:

Feed Preparation and Support \$40,400  
Shive-Hattery Engineers and Architects, Des Moines, Iowa  
(Architectural Services)

Swine Housing \$13,400  
Rietz Engineering Consultants, Ames, Iowa  
(Engineering Services)

Research Unit \$23,000  
Brooks, Borg & Skiles, Des Moines Iowa  
(Architectural Services)

VMRI Building No. 6--Remodeling \$17,400  
Rudi/Lee/Dreyer and Associates, Ames, Iowa  
(Architectural Services)

Amendments:

Recreation/Athletic Facility \$19,000  
Bussard/Dikis Associates, Des Moines, Iowa  
(Increase in Compensation)

The university requested approval of Change Order #5 for additional architectural and engineering services on the Recreation/Athletic Facility. Changes were negotiated with the low construction bidder, McHan Construction, Inc. (as reported at the June 1988 meeting), requiring redrawing of plans and details to provide accurate documentation for the contractor to construct the building.

With the approval of Change Order #5, the cumulative amount of the change orders exceed \$50,000 as follows:

Change Order #1	\$20,000	Special consultant for Athletic Facility design (Hellmuth, Obata and Kassabaum, Inc., (HOK) Sports Group)
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Change Order #2	\$ 8,500	Construct detailed scale model of building
Change Order #3	\$16,000	Design for new steam tunnel under building
Change Order #4	\$ 5,000	Design development drawings to include changes to Training, Laundry and Checkout Rooms
Change Order #5	<u>\$19,000</u>	Redraw as required to document negotiated changes after building
	<u>\$68,500</u> =====	Total All Changes

#### CONSTRUCTION CONTRACTS

The university requested approval of the following construction contract:

1988 Institutional Roads Projects--Resurface Selected Campus Streets (1988)  
(Reject All Bids)

Only one bid was received on this project and the bid exceeded the construction budget. The university recommended that the project be re-bid at a later date.

Regent Williams asked why only one bid was received. Vice President Madden responded that there are more road dollars in other projects. The costs are too high.

#### CHANGE ORDERS TO CONSTRUCTION CONTRACTS

Utilities--Replace Steam Generators No. 1 & 2 \$113,635  
Pyropower Corporation, San Diego, California

The university requested approval of the third change order for equipment revisions and steel modification on certain equipment not available until after the start of steel fabrication.

The change order proposed increases the contract amount as follows:

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	<u>Description</u>	<u>Approved</u>	<u>Amount</u>
Original Contract		Feb. 1986	\$13,950,000
Change Order #1	Specialized duct work tying the new fluidized bed boilers to the new smokestack	July 1986	189,620
Change Order #2	Revised coal and limestone bunkers, steel and control modifications	June 1987	69,505
Change Order #3	Equipment revisions and steel modifications	Proposed	<u>113,635</u>
	TOTAL		<u>\$14,322,760</u> =====

**MOTION:**

Regent Williams moved to approve the capital register including the disposal of the Safety Education Laboratory. Regent Harris seconded the motion, and upon the roll being called, the following voted:  
 AYE: Duchen, Fitzgibbon, Harris, Pomerantz, VanEkeren, Williams.  
 NAY: None.  
 ABSENT: Greig, Tyler, VanGilst.

**IOWA STATE INNOVATION SYSTEM - MTEC PHOTOACOUSTICS, POLYMER PRODUCTS AND ATHLETIC TRAINING SPECIALISTS.** The Board Office recommended that the Board approve leases with tenants in the Iowa State Innovations System Center (ISIS), as follows: (1) MTEC PHOTOACOUSTICS, for their use of approximately 866 square feet of space (Room 107) for a term of six months commencing July 1, 1988 at a rent for the term of \$2,598 (renewal with additional space); (2) POLYMER PRODUCTS, for their use of approximately 139 square feet of space (Room 205) for a term of six months commencing July 1, 1988 at a rent for the term of \$382.26 (renewal); (3) ATHLETIC TRAINING SPECIALISTS, INC., for their use of approximately 2115 square feet of space (Rooms 301A, 302, and 304) for a term of five months commencing June 1, 1988 at a rent for the term of \$4,938.50 (renewal with space reduction)

The leases provide essential elements as follows:

**BOARD'S STATUS:** Landlord

**LOCATION:** Iowa State Innovation System Center (ISIS)

PROPERTY RENTED:

MTEC PHOTOACOUSTICS -- Room 107  
POLYMER PRODUCTS -- Room 205  
ATHLETIC TRAINING SPECIALISTS -- Rooms 301A, 302, and 304

PERIOD:

MTEC PHOTOACOUSTICS -- six months commencing July 1, 1988  
POLYMER PRODUCTS -- six months commencing July 1, 1988  
ATHLETIC TRAINING SPECIALISTS -- five months commencing July 1, 1988

RATE:

MTEC PHOTOACOUSTICS -- \$6.00 per square foot per year  
POLYMER PRODUCTS -- \$5.50 per square foot per year  
ATHLETIC TRAINING SPECIALISTS -- \$5.50 per square foot per year

USE OF SPACE:

MTEC PHOTOACOUSTICS -- research and development, office, light assembly  
POLYMER PRODUCTS -- research and development, office, telemarketing  
ATHLETIC TRAINING SPECIALISTS -- office, sales, storage, light assembly  
of knee braces.

LIABILITY:

Each tenant is responsible for contents of space leased. Landlord is responsible for building. Tenant is required to provide casualty and liability insurance protecting landlord in case of accidents or property damage (\$500.00).

HOLD HARMLESS CLAUSE: Yes

SERVICES: Furnished by landlord, except excessive usage is charged to tenant.

UTILITIES: Furnished by landlord, except excessive usage is charged to tenant.

PARKING: One permit per tenant is provided.

COMPARABLES: The rates are similar to those the university charges other ISIS tenants for similar space.

MOTION:

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

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AYE: Duchen, Fitzgibbon, Harris, Pomerantz,  
VanEkeren, Williams.

NAY: None.

ABSENT: Greig, Tyler, VanGilst.

**SWINE NUTRITION FARM LAND ACQUISITION.** The Board Office recommended the Board approve the acquisition of 199 acres of land (Kelley Farm) for the new Swine Nutrition Research Center by way of a trade of agricultural land (Woodruff Farm) currently owned by the State of Iowa, for similar quality land owned by the Iowa Crops and Soils Research Association subject to approval by the Iowa Executive Council.

The General Assembly has appropriated funds for the relocation and development of a new Swine Nutrition Research Center at Iowa State University. An ad hoc committee recommended that the Center be constructed on the Kelley Farm northwest of the campus. The Kelley Farm is currently owned by a university affiliated organization, the Iowa Crops and Soils Research Association.

Rather than pursue a long-term lease of the property, it is more prudent to construct state facilities on land owned by the State of Iowa.

The university proposed to trade the Woodruff Farm southwest of campus for the Kelley Farm. The Woodruff Farm is owned by the State of Iowa and is currently used for various research and demonstration activities by the Agriculture and Home Economics Experiment Station who has indicated that the trade will not materially affect their operations. There is a dwelling on the Woodruff Farm.

Independent appraisals have been performed resulting in an equitable proposed trade for which no monetary compensation would be necessary. Further, this trade would not result in a reduction of property taxes for the community since both properties are currently tax exempt.

Regent Fitzgibbon asked if there are any conflicting interests between persons in the Iowa Crops and Soils Research Association and the university. He said they needed to document that the appraiser also had no conflict of interest.

Vice President Madden responded that an independent appraiser had been used.

President Pomerantz suggested that the Board Office review the appraiser's qualifications.

Regent Fitzgibbon said there should be documentation in the Board Office. He said he was not questioning the procedure but someone else might.

**MOTION:**

Regent VanEkeren moved to approve the acquisition of 199 acres of land (Kelley Farm) for the new Swine Nutrition Research Center by way of a trade of agricultural land (Woodruff Farm) currently owned by the State of Iowa, for similar quality land owned by the Iowa Crops and Soils Research Association subject to approval by the Iowa Executive Council. Regent Williams seconded the motion, and upon the roll being called, the following voted:

AYE: Duchen, Fitzgibbon, Harris, Pomerantz, VanEkeren, Williams.

NAY: None.

ABSENT: Greig, Tyler, VanGilst.

**COAL PURCHASE REPORT.** The Board Office recommended the Board approve the coal award to Iowa Coal Mining Company of Lovilia, Iowa, for 30,000 tons of coal at a delivered cost of \$1.53 per million BTUs and a total contract for \$957,540 for the period September 1, 1988 through June 30, 1989.

The award is for a ten-month period beginning September 1, 1988, and will be for \$957,540, including \$12,000 in ash disposal costs.

When the five percent Iowa coal preference factor is used, Iowa Coal Mining bid costs amount to \$920,460, compared to \$966,282 for the Peabody bid. Without the coal preference, the Iowa Coal Mining bid is \$957,540, which is still less than the Peabody bid.

Coal for these conventional boilers is currently being supplied at \$1.56 per million BTUs.

The June 30, 1987, ending date on this contract was established to coincide with the ending date on the initial fluidized bed combustion coal contract approved in April 1988. The next coal contract cycle will include all of Iowa State University's coal needs for the period covered.

**MOTION:**

Regent Duchen moved to approve the coal award to Iowa Coal Mining Company of Lovilia, Iowa, for 30,000 tons of coal at a delivered cost of \$1.53 per million BTUs and a total contract for \$957,540 for the period September 1, 1988 through June 30, 1989. Regent Williams seconded the motion, and it carried unanimously.

**SOCIAL AND BEHAVIORAL RESEARCH CENTER FOR RURAL HEALTH.** The Board Office recommended the Board approve the university's leasing of facilities from the

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residence system for housing the proposed Social and Behavioral Research Center for Rural Health.

In April, the university presented a proposal to the Board for the establishment of a Rural Health Research Center and the proposed conversion of residence systems space in Elm Hall for office and laboratory use. The establishment of the center was referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. The university was also authorized to proceed with the planning for the project. The Interinstitutional Committee has been reviewing the program but has not yet reported on its conclusions. It was Board Office understanding, however, based on conversations with members of the Interinstitutional Committee, that a satisfactory arrangement has been worked out for operating this center. The proposed program title has been agreed to (i.e., Social and Behavioral Research Center for Rural Health). It is anticipated that the Interinstitutional Committee report will be presented to the Board of Regents in September.

The university requested the Board approve the conversion of the residency system space to office and laboratory use and a proposed reimbursement rate to the residence department of \$4.06/sq. ft. for 8,320 sq. ft. plus parking spaces and other costs totaling \$33,780 per year. The revenues would come from grant and contract income associated with the research projects of the college.

The cost of modifying the residence space for the program was reported in this month's capital register as \$144,000. This cost will be paid by the program from grants it receives.

Vice President Madden stated that university officials desired to do work when the residence system is not being occupied.

Regent Williams stated that when this project was initially proposed she expressed concern that Iowa State University was proposing to duplicate projects being carried out by the University of Iowa Hospitals. She asked if that had been addressed since the initial discussion in April.

Vice President McCandless said there have been a series of meetings between University of Iowa and Iowa State University officials. The name of the center was changed partially in response to concerns expressed by the University of Iowa. He said he had hoped to have the Interinstitutional Committee recommendation for this Board meeting. It was his belief that at the next Board meeting the committee will endorse the center under a revised format. He said the exchange of ideas was positive for everyone.

Regent Williams said she appreciated that interaction.

**MOTION:**

Regent Fitzgibbon moved to approve the university's leasing of facilities from the residence system for housing the proposed Social and Behavioral Research Center for Rural Health. Regent VanEkeren seconded the motion, and upon the roll being called, the following voted:

AYE: Duchen, Fitzgibbon, Harris, Pomerantz, VanEkeren, Williams.

NAY: None.

ABSENT: Greig, Tyler, VanGilst.

**1988-89 FINAL BUDGET.**

The university proposed no changes in the budgets for the General University, Agricultural Experiment Station, the Cooperative Extension Service, or the residence system from the final budget presented to the Board in June. The total operating budgets for the General University, Agriculture Experiment Station and the Cooperative Extension Service is \$230.1 million. In addition the university projects the expenditure of \$160.95 million of restricted funds.

Changes in the collegial instructional budgets are summarized below for the past three years. About 20 percent growth of the instructional budget in the College of Business is shown as is significant growth in the instructional budget for the Colleges of Engineering and Veterinary Medicine over the last two years.

Percent Change in Instructional Budgets

<u>College</u>	<u>FY 1988 over FY 1987</u>	<u>FY 1989 over FY 1988</u>	<u>Two Year Change FY 1989 over FY 1987</u>
Design	7.4	7.0	14.8
Education	10.5	5.2	16.2
Agriculture	9.9	5.0	15.4
Business	(.5)	19.5	18.9
Engineering	9.7	11.0	21.8
Family & Consumer Sci.	10.0	4.9	15.4
Sciences and Humanities	8.5	8.3	17.4
Veterinary Medicine	10.4	8.6	20.0
<b>Total for Instruction</b>	<b>+ 8.8 percent</b>	<b>+ 8.4 percent</b>	<b>+17.9 percent</b>

The university reported that funds generated through internal reallocation, increased tuition and state revenues were utilized to restore cuts in

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building repairs and equipment allocations, and to fund the faculty salary increases and meet other mandated expenses. The mandated expenses included the cost of opening new buildings, increased utility costs and the implementation of the on-line registration system and a deferred billing system. The following listing identifies those areas in which new program allocations were able to be made:

- Funding of the Pioneer Chair in Agronomy
- Expansion of the laboratory animal resources
- Creation of the Administrative Services Office approved by the Regents
- Creation of a reserve to assist colleges in funding replacements for faculty improvement leaves
- Increased minority recruiting allocations.

**MOTION:**

The motion was made and appears under the "General" section of these Minutes on page 16.

President Pomerantz 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 Friday, July 15, 1988.

**REGISTER OF PERSONNEL CHANGES.** The Board Office stated that due to the July Board meeting being held earlier in the month, the Register of Personnel Transactions for June was not received in the Board Office for review. Upon receipt, it will be reviewed and presented to the Board for ratification at its September meeting.

**OTHER PERSONNEL TRANSACTIONS.** The Board Office recommended that the Board

- (1) Accept resignations, as follows:

1. GAYLON L. HALVERSON as Head, Department of Accounting, effective August 21, 1988. Dr. Halverson will continue to teach in the department.
2. VINCENT E. FAHERTY as Professor and Head, Department of Social Work, effective July 29, 1988. Dr. Faherty has accepted a position at the University of Maine.

- (2) Approve appointments resulting in change of status of current faculty, as follows:

1. PETER G. GOULET from Professor to Professor and Acting Head, Department of Information Management, effective July 1, 1988, for an indefinite term until a department head is selected, at an academic year salary of \$53,885.
2. CLAIRE D. ROWE from Professor of Marketing to Professor of Marketing and Acting Head, Department of Accounting, for an indefinite term until a department head is selected, at an academic year salary of \$57,204.

- (3) Approve the appointment of MURIEL B. STONE as director of Placement and Career Services, effective September 1, 1988, serving at the pleasure of the university president, at a salary for the fiscal year of \$46,000.

Vice President Martin presented the following requests for change of status:

DR. WILLIAM P. CALLAHAN II, from Associate Professor of Special Education and Acting Associate Dean (part-time) to Associate Professor and Associate Dean (part-time), College of Education, effective fall semester, 1988, at a nine-month salary of \$45,000.

DR. SUSANN G. DOODY, from Associate Professor of Physical Education and Coordinator of Physical Education, School of Health, Physical Education and Recreation to Associate Professor and Associate Dean (part-time) College of Education, effective fall semester, 1988, at a nine-month salary of \$45,000.

**MOTION:** Regent Duchen moved to approve the personnel transactions, as presented. Regent Fitzgibbon seconded the motion, and it carried unanimously.

**FORMAL CLASSIFICATION TITLING SYSTEM REVISION.** The Board Office recommended that the Board approve the establishment of an entry-level classification of Nurse I in pay grade 2 (\$17,725-\$28,040).

The university has need for a class to recognize the provision of nursing care at an entry level below the level currently provided. The current classifications of Nurse I and II in grades 3 and 4 would become Nurse II and III in grades 3 and 4. Incumbents in the proposed new class of Nurse I would work under more direct supervision than is given incumbents in the current entry-level class and they would perform a more limited range of nursing care.

Regent Williams asked if the entry-level associate was something other than a baccalaureate nurse. Vice President Conner responded that he was not sure. He said that position provides student health services.

Regent Williams said she was interested in knowing why there was a distinction there.

**ACTION:** President Curris asked to defer this item so university officials can come back at the next meeting with the information requested. President Pomerantz concurred.

**REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.** The Board Office recommended the Board approve the University of Northern Iowa capital register and receive a report on anticipated revenue for construction of the boiler.

The university requested approval of a project description and revised budget for the Maucker Union--Phase II Addition. The addition provides for expansion of the existing coffee house, a new multi-purpose room, and food service.

After bids were rejected in February of 1988 the project was redesigned to conform with program needs and available funds. In the revised budget the

architectural fees have already been incurred (at original bidding) and no additional costs are anticipated.

	9/86 <u>Original Budget</u>	<u>Revised Budget</u>
Building Construction Cost	\$1,400,000	\$1,636,300
Architecture and Engineering Fees	101,000	114,200
Modification to Existing Building	22,000	-0-
Furnishings and Equipment	287,000	165,000
Contingencies	90,000	75,000
Art Work	<u>-0-</u>	<u>9,500</u>
 TOTAL	 \$1,900,000 =====	 \$2,000,000 =====
 Square Footage	 20,000 sq. ft.	 20,000 sq. ft.

The source of funds for construction of the addition would be as follows:

Maucker Union Surplus Fund	\$1,250,000	\$1,350,000
Building Fund for Student Activities	<u>650,000</u>	<u>650,000</u>
 TOTAL	 \$1,900,000 =====	 \$2,000,000 =====

\* \* \* \* \*

As discussed at the June Board meeting, the General Assembly approved a capital appropriation of \$11.1 million for design and construction of a boiler at the university. According to the legislation, the appropriation is contingent upon the ending balance in the state's general fund as certified by the Director of the Department of Management. The Director has indicated that it appears that \$10 million will be available for the project, and that the remaining \$1 million may also be forthcoming.

It is anticipated that the final certified amount available will be known within the month. If less than the full \$11.1 million is certified, the university will consult with Sega, Inc. for its professional assessment of alternatives for completing the project. If adjustment for either revenue or expenditure is necessary, a revised project budget will be submitted by the university before the September Board meeting. The Executive Secretary will sign the contract when total project funds are identified.

Regent Harris asked whether the bid price was holding firm. Director Eisenhower responded that the Board's action at last month's meeting ensured the bid would remain steady until the end of July.

President Curris stated that if final certification occurs before July 24 the contract will be for \$6,215,000. If it is not certified by July 24 then the bid price goes up to \$6,232,000. He said university officials have now been told the appropriation will be \$10 million, and possibly the full \$11.1 million will be there. He said if the amount that actually materializes is less than the \$11.1 million university officials will be back with the Board in September to discuss financing for this project. What university officials hope will occur is that there will be authorization to award the contract for \$6,215,000 before the 24th.

President Pomerantz asked if for whatever reason the last \$1 million is not forthcoming from the state do university officials have a way out of the financing problem.

President Curris said they will have three options. First, they can find resources on their own to supplement the appropriation. Second, given the schedule of activities and the payment schedule, they could delay that decision until the second session of the legislature. Third, they could review their options for downsizing the project or delaying certain activities.

Mr. Richey noted that he will sign the contract when total project funds are identified.

President Pomerantz suggested that President Curris strongly consider the first option he mentioned.

MOTION: Regent Duchen moved to approve the capital register. Regent Harris seconded the motion, and it carried unanimously.

#### FINAL BUDGETS, 1988-89.

The university proposed no changes in the budgets for the General University or the residence system from the final budget presented to the Board in June. The total operating budget for the General University is \$65.8 million. In addition, the university estimates fiscal year 1989 restricted fund expenditures of \$38.4 million.

Changes in the collegial instructional budgets are summarized below for the past three years.

Percent Change in Instructional Budgets

	<u>FY 1988 over FY 1987</u>	<u>FY 1989 over FY 1988</u>	<u>Two Year Change FY 1989 over FY 1987</u>
School of Business	+ 5.2%	+13.1%	+19.0%
College of Social & Behavioral Sciences	9.2	10.0	20.1
College of Education	9.3	6.7	16.6
College of Humanities & Fine Arts	7.7	10.0	18.4
College of Natural Sciences	2.0	8.6	10.7
Other	2.0	7.9	10.0
Total for Instruction	+ 6.3%	9.1%	16.0%

The total increase for the Instructional Program for fiscal year 1989 over fiscal year 1988 is 9.1 percent and increases calculated for the colleges range from 6.7 for the College of Education to 13.1 percent for the School of Business.

The university reported the following general education fund allocations for programs:

- Allocation of funding for faculty positions to implement the new general education program
- Allocations and reallocations for the School of Business to adjust for previous enrollment growth and for anticipated staffing requirements for accreditation
- Provision of funds to the College of Humanities and Fine Arts, School of Business and College of Social and Behavioral Science for the conversion of part-time, temporary positions to full-time, continuing positions
- Budgetary provisions for the early childhood development program.
- Transfer of funds from the Graduate College to the Office of International Study to fund the exchange program in international studies.

**MOTION:**

The motion was made and appears under the "General" section of these Minutes on page 16.

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President Pomerantz asked Board members and institutional executives if there were additional items for discussion pertaining to the University of Northern Iowa.

President Curris stated that the information he had received concerning the special meeting of the Board on July 22 did not include university personnel. He asked if that was correct.

President Pomerantz said the Board Office would get back with university officials concerning that meeting the beginning of next week.

## IOWA SCHOOL FOR THE DEAF

The following business pertaining to Iowa School for the Deaf was transacted on Friday, July 15, 1988.

**RATIFICATION OF ACTIONS REPORTED IN THE REGISTER OF PERSONNEL CHANGES FOR THE MONTH OF JUNE 1988.** The Board Office stated that due to the July Board meeting being held earlier in the month, the Register of Personnel Transactions for June was not received in the Board Office for review. Upon receipt, it will be reviewed and presented to the Board for ratification at its September meeting.

**APPROVAL OF APPOINTMENT.** The Board Office recommended that the Board approve the appointment of ROBERT WESTERHAUS as Dean of Boys, effective August 1, 1988, and serving at the pleasure of the superintendent, at an annual salary of \$25,500.

Superintendent Johnson requested that due to the resignation of the newly-appointed business officer that Assistant Superintendent John Balk be designated Acting Treasurer. This will permit the continuation of two signatures on all their checks as required by the Regents.

Regent Fitzgibbon encouraged school officials to stay on top of their search for a business officer and to make sure they hire someone who is very capable.

**MOTION:**

Regent Fitzgibbon moved to approve the appointment of ROBERT WESTERHAUS as Dean of Boys, effective August 1, 1988, and serving at the pleasure of the superintendent, at an annual salary of \$25,500, and JOHN BALK as Acting Treasurer. Regent Harris seconded the motion, and it carried unanimously.

**APPROVAL OF AGREEMENTS.** The Board Office recommended that the Board approve agreements for the benefit of Iowa School for the Deaf with parties, as follows: (1) LOESS HILLS AREA EDUCATION AGENCY 13 and LEWIS CENTRAL COMMUNITY SCHOOL DISTRICT to provide for students of Iowa School for the Deaf to attend Lewis Central Community Schools in an integrated program, to provide the staff from Iowa School for the Deaf necessary to enable the program to succeed, and to provide for collection of funds by Loess Hills Area Education Agency 13 from local school districts to be paid to Lewis Central Community Schools for the 1988-89 school year; and (2) LOESS HILLS AREA EDUCATION AGENCY 13 to provide physical/occupational therapy services and motor activity technicians to students at Iowa School for the Deaf with the services reviewed annually.

The first agreement provides for selected Iowa School for the Deaf students to attend regular classes at Lewis Central Community Schools. There is no scheduled payment from Iowa School for the Deaf to Lewis Central for the service though the Loess Hills Area Education Agency will pay Lewis Central for the students taught in the program.

The second agreement provides for Loess Hills Area Education Agency physical and occupational therapists to evaluate Iowa School for the Deaf students and to provide services to the students as the agency provides to public school students within the Agency's service area. Iowa School for the Deaf agrees to provide Motor Activity Technicians to provide services to the school's students.

**MOTION:** Regent Williams moved approval of the agreements, as presented. Regent Harris seconded the motion, and it carried unanimously.

**REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS FOR THE MONTH OF JUNE 1988.** The Board Office recommended the Board approve the school's capital register and a consultant agreement with Wilscam/Birge and Associates, Inc.

While the school's capital register reported no transactions, the school requested approval of a consultant agreement with Wilscam/Birge and Associates, Inc.

The school intends to undertake various maintenance and improvement projects during the period of July 1, 1988, to June 30, 1989. The services provided include architectural/engineering and related services, and the compensation for such services will be mutually agreed upon in separate Task Orders to this agreement. The school shall not enter into any Task Orders for services provided under this agreement without first obtaining the Executive Secretary's written approval. The contract is for basic services and reimbursables expenses not to exceed \$15,000.

**MOTION:** Regent VanEkeren moved to approve the school's capital register and a consultant agreement with Wilscam/Birge and Associates, Inc. Regent Fitzgibbon seconded the motion, and it carried unanimously.

**APPROVAL OF LEASES.** The Board Office recommended that the Board approve leases with tenants, as follows: (1) JOHN BALK for his use of 2905 Valley View Drive, a single family residence and garage, for the period July 1, 1988, to June 30, 1989, at a monthly rental of \$85; and (2) RICHARD CONNELL for his use of 100 Gallaudet Drive, a single family residence and garage, for the period July 1, 1988 to June 30, 1989, at a monthly rental of \$85.

JOHN BALK is the Assistant Superintendent and was requested to live in the residence at 2905 Valley View Drive in order to be available at non-office hours.

RICHARD CONNELL is the Director of the facilities and was requested to live in the residence at 100 Gallaudet Drive in order to be available at non-office hours.

The rental rate for each residence is \$85 per month and includes utilities.

**MOTION:**

Regent Harris moved approval of the leases, as presented. Regent Duchen seconded the motion, and upon the roll being called, the following voted:  
AYE: Duchen, Fitzgibbon, Harris, Pomerantz, VanEkeren, Williams.  
NAY: None.  
ABSENT: Greig, Tyler, VanGilst.

**FINAL BUDGETS.**

The final operating budget of \$5,357,534 for fiscal year 1989 represents an increase of 4.5 percent over the fiscal year 1988 revised operating budget. This is the same budget as approved by the Board in June.

Appropriations are over 98 percent of the school's projected revenue for fiscal year 1989. The remaining 2 percent of resources generated from some federal funding, sales and services, and investment income. The school reported that it has not received notification of final Chapter I allocation amounts. The school anticipates developing a final program of budget of Chapter I funds for Board approval when the final funding is known. The preliminary projection for Chapter I funds is \$63,000.

**MOTION:**

The motion was made and appears under the "General" section of these Minutes on page 16.

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

## IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Friday, July 15, 1988.

**RATIFICATION OF ACTIONS REPORTED IN THE REGISTER OF PERSONNEL CHANGES FOR MAY 29 TO June 25, 1988.** The Board Office stated that due to the July Board meeting being held earlier in the month, the Register of Personnel Transactions for June was not received in the Board Office for review. Upon receipt, it will be reviewed and presented to the Board for ratification at its September meeting.

**APPROVAL OF IBSSS EMPLOYEE HANDBOOK 1988-1989.** The Board Office recommended that the Board give conceptual approval to the Employee Handbook and authorize the Executive Secretary to give final approval after the school has made the revisions requested by the Board Office.

The school updated its employee handbook, and it was reviewed by the Board Office. The Board Office recommended that the information contained in the handbook be reorganized and be presented in such a way that policies pertaining to the different classes of employees would be readily identifiable. The handbook contains new sections regarding chronic communicable disease, employee assistance program, performance appraisal for faculty, student ombudsman, and Iowa Fair Information Practices Act.

The handbook was reviewed and approved by the Iowa Braille and Sight Saving School Advisory Committee.

The school agreed to make the revisions as recommended and will have the handbook in to the Board Office for review during July. The handbook will be distributed to employees of the school at the beginning of the academic year. Members of the Board will also be provided copies.

**MOTION:**

Regent Williams moved to give conceptual approval to the Employee Handbook and authorize the Executive Secretary to give final approval after the school has made the revisions requested by the Board Office. Regent Harris seconded the motion, and it carried unanimously.

**APPROVAL OF IBSSS STUDENT/PARENT HANDBOOK 1988-1989.** The Board Office recommended that the Board approve the Student/Parent Handbook as presented by the Iowa Braille and Sight Saving School with the gender specific pronouns being removed before final printing.

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The school updated its Student/Parent Handbook. The handbook outlines educational policies, residential services, health services, student transportation and emergency procedures. The handbook contains new sections addressing the student ombudsman, attendance policy, and the Chronic Communicable Disease Policy.

The school has rephrased much of the handbook to avoid the use of gender-specific pronouns. It was recommended that all the gender-specific pronouns be eliminated before the document is printed.

The handbook was reviewed and approved by the Iowa Braille and Sight Saving School Advisory Committee.

The handbook will be distributed to students, parents, and the Board at the beginning of the academic year.

Superintendent Thurman stated that the Student/Parent Handbook was more a method of communicating than a policy manual.

**MOTION:**

Regent Williams moved to approve the Student/Parent Handbook as presented by the Iowa Braille and Sight Saving School with the gender specific pronouns being removed before final printing. Regent VanEkeren seconded the motion, and it carried unanimously.

**REQUEST BY ACT I COMMUNITY THEATRE.** The Board Office recommended the Board approve of the use by ACT I Community Theatre to utilize facilities of the Iowa Braille & Sight Saving School and request that the community theatre group have appropriate insurance coverage.

The Iowa Braille & Sight Saving School has received a request from ACT I Community Theatre, a volunteer non-profit community theatre group in the Benton County area, to use the auditorium of the Iowa Braille and Sight Saving School from October 10 through October 23, 1988, to produce and present a theatrical production.

This use of the facilities will provide an unusual opportunity for Iowa Braille and Sight Saving School students to become involved and interact in a theatrical production. This will be an excellent opportunity for the students. The institution, however, should ensure that appropriate liability insurance is provided to protect the Board, the institution, and the staff.

Superintendent Thurman said the theatre group wished to use the school's stage for production since it closely resembled the old-time stage they needed. He said that as a way of inducing school officials to provide the

facility, the theatre people offered to utilize the students in the preparation and production of the show.

**MOTION:** Regent VanEkeren moved to approve of the use by ACT I Community Theatre to utilize facilities of the Iowa Braille & Sight Saving School and request that the community theatre group have appropriate insurance coverage. Regent Williams seconded the motion, and it carried unanimously.

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

The following construction contracts were awarded by the Executive Secretary as 1988 funds were available:

<u>Roof Replacement--Service Building</u> Veterans Roof Company	<u>\$32,464</u>
<u>Walk-in Cooler Replacement--Main Building</u> ACI Mechanical	<u>\$1,672</u>
<u>Cooling Tower Replacement--Main Building</u> Brecke B G, Inc.	<u>\$9,988</u>
<u>Window and Door Replacement--Auditorium</u> Allied Glass	<u>\$16,755</u>
<u>Gutter and Fascia Replacement--Gym Building</u> Hawkeye Sheet Metal, Inc.	<u>\$2,757</u>

**MOTION:** Regent Williams moved to approve the school's capital register. Regent Harris seconded the motion, and it carried unanimously.

#### **APPROVAL OF FINAL BUDGET.**

The Iowa Braille and Sight Saving School final budget of \$3,089,562 is the same in total as its budget tentatively approved by the Board in June. However, minor changes were proposed by the reallocation of \$10,000 from anticipated salary savings to building repairs.

The school previously budgeted no funds for building repairs or anticipated any amount of funds which would be available from vacant positions open for a portion of the year. By estimating the amount of funds which could be

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available from vacant positions, \$10,000 was reallocated from salaries to building repairs.

In March the Board approved the application of Chapter 1 grant monies for fiscal year 1989 for the position of Educational Consultant. Approximately \$35,000 in federal funds are expected to be available for that purpose.

Included in this budget are provisions for the new Department of Outreach Services tentatively approved by the Board of Regents in March 1988. The new positions were as follows:

- Director of Outreach Services to coordinate delivery of statewide services to Area Education Agencies, Local Education Agencies, parents and other agencies. Fifty percent of the funding would come from the school and 50 percent of the funding would come from the State Department of Education.
- Educational Consultant to provide consultation and material resources. This position would be 100 percent funded from Chapter I funds.
- Pre-school Consultant to provide consultation material resources to pre-school age visually impaired children, parents, medical providers and other agencies working with the population. This position would be funded by the school.
- Educational Diagnostician to supervise and participate in on-campus evaluations. This position would be funded by the school. It is not anticipated to be filled until sometime during the school year upon approval of the Board.

MOTION:

The motion was made and appears under the "General" section of these Minutes on page 16.

President Pomerantz asked Board members and institutional executives if there were additional matters for discussion pertaining to the Iowa Braille and Sight Saving School. There were none.

**ADJOURNMENT.** The meeting of the State Board of Regents adjourned at 5:10 p.m., on Friday, July 15, 1988.



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R. Wayne Richey  
Executive Secretary