

The State Board of Regents met at Iowa State University, Ames, Iowa, on Wednesday, July 21, 1982. Those present were:

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Members of the State Board of Regents:

Mr. Brownlee, President	All Sessions
Mrs. Anderson	All Sessions
Dr. Harris	All Sessions
Mrs. Jorgensen	All Sessions
Mr. McDonald	All Sessions
Mrs. Murphy	All Sessions
Mr. Neu	All Sessions
Mr. Nolting	All Sessions
Mr. Wenstrand	All Sessions

Office of the State Board of Regents:

Executive Secretary Richey	All Sessions
Director Barak	Excused
Director McMurray	All Sessions
Director Sonnenschein	All Sessions
Director Wright	All Sessions
Ms. Peters, Secretary	All Sessions

State University of Iowa:

President Freedman	Exc. 11:55
Vice President Bezanson	Exc. 11:55
Acting Vice President Moll	Exc. 11:55
Vice President Priestersbach	Exc. 11:55
Assistant Vice President Small	Exc. 11:55
Acting Associate Vice President Mahon	Exc. 11:55
Assistant to President Mears	Exc. 11:55
Director Jensen	Exc. 11:55

Iowa State University:

President Parks	Excused
Vice President Christensen	All Sessions
Vice President Hamilton	All Sessions
Vice President Moore	Excused
Assistant Vice President Madden	All Sessions
Assistant to President Crawford	All Sessions

University of Northern Iowa:

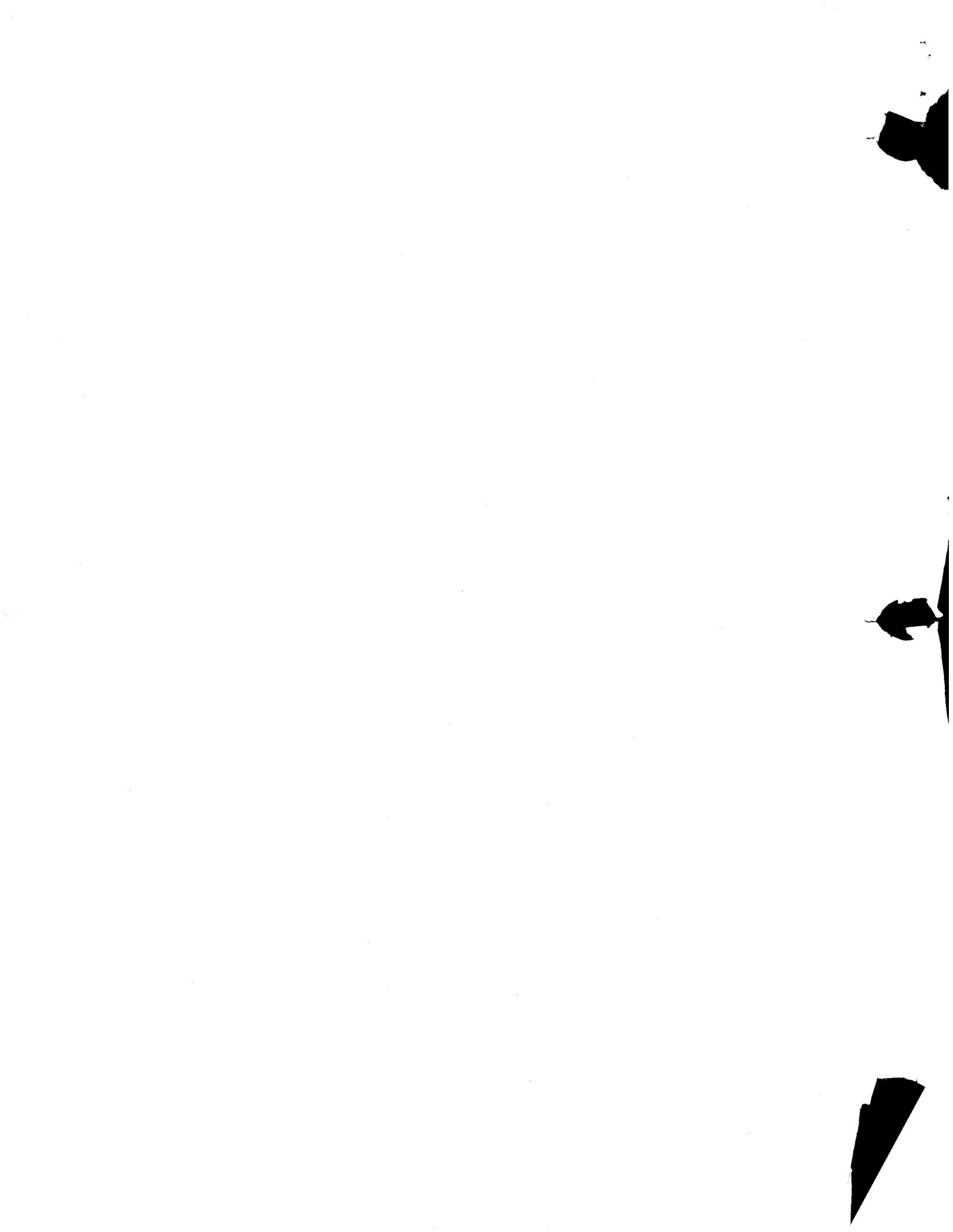
President Kamerick	Exc. 1:33
Provost Martin	Exc. 1:33
Vice President Stansbury	Exc. 1:33
Vice President Voldseth	Exc. 1:33
Director Kelly	Exc. 1:33

Iowa School for the Deaf:

Superintendent Giangreco	Exc. 1:12
Business Manager Kuehnhold	Exc. 1:12

Iowa Braille and Sight Saving School

Superintendent DeMott	Exc. 1:16
Business Manager Berry	Exc. 1:16



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The following business pertaining to general or miscellaneous items was transacted on Wednesday, July 21, 1982.

President Brownlee announced that the Board of Regents was pleased to welcome Roxanne Conlin, Democratic candidate for Governor of Iowa, to the meeting. He explained that it is a tradition of the board to invite gubernatorial candidates to one of its meetings. On behalf of the board, he had extended this invitation to this year's candidates, and Ms. Conlin was present in answer to this invitation.

Ms. Conlin thanked the board for its invitation to attend a meeting. She was happy to have the opportunity to discuss matters of interest with the Regents and institutional personnel. She said she had already had an opportunity to meet with President Brownlee and Mr. Richey and was somewhat familiar with the issues that concern the Regent institutions.

Ms. Conlin said that the Board of Regents has a number of constituencies. Because of the variety of institutions and the large numbers of people involved, the board has a difficult job. It is recognized by everyone that it is necessary for the Regents to do their job well, because the future of the state depends on students in Iowa being provided with the best possible quality of education. She noted that she has said from the very beginning of the campaign that education is a critical issue. She shares the commitment of the Regents to improving the quality of education.

Ms. Conlin went on to say that, because of the threatened loss of federal funds, the quality of education is now threatened. The reductions in funding affect not only education but related programs such as research and programs for the handicapped.

Ms. Conlin said the Regent institutions had managed the difficult task of providing education to 8,000 more students than had been funded. She understood that the institutions would soon be faced with declining enrollment and the problems that will bring. This will require flexibility and adaptation to the changing conditions.

Ms. Conlin had met with faculty at a Regent university. She was sure the board was aware that faculty are not very happy. They have fallen behind on purchasing power in the last decade. Their morale seems at a low ebb. The institutions have had problems retaining gifted people because of the budgetary restraints. Ms. Conlin thought one of the most serious problems is that of attracting bright young people into teaching.

Regent Nolting said that, as Ms. Conlin probably knew, the faculty vitality fund is the top priority of the Board of Regents. He asked how high this would appear on her list of priorities. She said she could make no

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promises but would do the best she could. If the Board of Regents said this was its top priority, she would have to trust the judgment of the board as to its importance. However, she felt that other areas, such as capital spending which provides jobs, are also of utmost importance.

Ms. Conlin then discussed capital spending. She feels this is a good time to make capital improvements because there is a favorable bidding climate at this time and costs might be lower. She thought the state of Iowa should utilize capital expenditure to put people back to work. She included energy conservation projects in this category. She was aware that the Regent institutions had already done a great many things for energy conservation, including almost everything that can be done without large sums of money. Now, the things remaining to be done in this area require a larger expenditure of money. The problem for the state is that funds are not available.

Regent Nolting asked Ms. Conlin if, in view of the low treasury balance, she would be in favor of increasing the bonding capacity of the Regents. Ms. Conlin answered that she is considering that. She noted that the buildings will need to be built sometime; why not build them now when the economy needs this boost. She considered this an issue of critical importance.

Ms. Conlin said that, apart from the financial concerns, she was most concerned about the growing tendency to concentrate more and more of the administration for the Regent institutions in Des Moines. She said she was interested in the views of the board on this subject.

Regent Neu noted that purchasing and personnel were areas subject to this growing tendency toward centralization. He asked Ms. Conlin how she felt about this for the Regent institutions. Ms. Conlin replied that one of the strengths of Iowa's higher education system is the independence of the Board of Regents and of each institution to do what needs to be done in the manner they feel is the best for their particular circumstances. She said she was not one who believed consolidation will solve all problems. On the contrary, she thought the state had over-consolidated and lost necessary flexibility.

Concerning student aid, Ms. Conlin admitted she has had difficulty following congressional action. All she understood was that fewer students will be getting fewer loans. Because of this, some students will be required to give up graduate school or possibly leave school altogether. It is not practical to tell these students to get jobs because there are few jobs available at this time. Ms. Conlin said it is essential for the state to provide for these young people. The state and the nation must have a policy of providing for access to education for all people regardless of economic condition. Ms. Conlin felt that if equity in education is to be maintained, there must be some kind of needs based test. She said the state needs to explore the long-range role of all institutions in Iowa, both public and private, to make sure Iowa reaches the goal of quality education for this decade and on into the next century.

Regent Anderson asked the candidate what she considered a proper relationship between tuition and appropriations and how she felt about how high tuition should go. Ms. Conlin said she would prefer to leave decisions

setting tuition rates in the capable hands of the board. She felt it was a difficult problem. It was her understanding that tuition as part of educational funding has been declining. Since education is a public good, money should be available from the public to provide education. The problem faced by the state and nation at this time is that less money is available for many things. Even though it can be said that education is the greatest public good, it sometimes cannot be considered the top priority: when considering the necessity of feeding hungry children, for example.

President Brownlee referred to Regent Neu's earlier question about centralization and consolidation and Ms. Conlin's answer to the effect that the Regent institutions should have the flexibility to manage their own resources within the governance of the board in personnel and other areas. He asked what her philosophy would be regarding the governance of the Regents. Ms. Conlin replied that her philosophy of management in general is that of flexibility. She considered flexibility essential to good management. Good management cannot be accomplished without the ability to move and shift resources to reach goals. President Brownlee said the board felt this particularly applied to institutions as diverse as the Regent institutions.

Ms. Conlin said that at bottom quality education is not a matter of numbers or money, but a matter of people. Everyone gives lip service to the principle of quality education. The state of Iowa and the Board of Regents must turn this belief into reality, and to do so for all citizens of the state. She said that, above all, the investment in higher education is an investment in Iowa's future.

Ms. Conlin thanked board members for sharing this time with her.

APPROVAL OF MINUTES. The minutes of the June 17, 1982, board meeting, and the IBSSS Long-Range Academic Planning Seminar of May 20, 1982, were approved as distributed. President Brownlee stated that any additions or nonsubstantive changes could be turned in to the secretary.

FINAL LEGISLATIVE REPORT--1982 SESSION. It was recommended that the board receive the report.

The Board Office noted that the second session of the 69th General Assembly convened Monday, January 11, 1982, and adjourned on Saturday, April 24. The session lasted 104 calendar days.

In the report, the Board Office identified 40 bills of interest to the board and the institutions which received final action during the session and were also signed into law by the Governor. A complete copy of each of these bills, as well as the Board Office analysis, is on file in the Board Office. Also on file in the Board Office is a report on all bills followed by the board showing the status of each bill at the end of the second session. If passage was not completed during the session, the bill died in that position for the 69th General Assembly. The Legislature has a provision to carry over bills from the first session to the second session only.

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Among the 40 bills explained therein, the Board Office noted two matters of substantive legislation supported by the board that were passed into law:

S.F. 2281 -- Changes the dollar requirement for performance bonds set forth in Section 573.2 of the Code from \$5,000 to \$25,000. Provides that such a bond may also be required when the contract price does not equal that amount.

H.F. 2418 -- Provides that a proceeding conducted by the State Board of Regents or one of its institutions in the enforcement of its traffic or parking rules is not a contested case under the Iowa Administrative Procedure Act.

The Board Office noted three appropriations bills affecting the Board of Regents:

S.F. 2304 -- This bill appropriates funds for the fiscal year beginning July 1, 1982, and ending June 30, 1983, to supplement appropriations made by the 1981 Session. Details of these appropriations had been reported to the board at the April 1982 meeting. Total appropriations made to the Board of Regents institutions in the education sections (38-47) of the bill are \$3,486,837.

A total of \$135,000 is appropriated in section 68 to the Iowa Water Resource Research Institute for the fiscal year beginning July 1, 1982, for research approved by the panel provided in section 69 of the Act.

Section 51 appropriates to the board for the Specialized Child Health Services Program at University of Iowa Hospitals \$17,000 for the PKU Program to be used only to cover the cost of lofenalac. The Specialized Child Health Services shall develop a sliding fee schedule to determine the amount of payments to be made by persons receiving lofenalac and shall report to the Joint Human Resources Appropriation Subcommittee by January 31, 1983, regarding the status of the PKU program.

H.F. 2336 -- Supplements appropriations and provisions provided for in bills passed during the 1981 Session for the fiscal year beginning July 1, 1981. Section 3 provided that funds previously allocated by the board of \$798,881 for fuel and purchased electricity purposes could be carried forward to fiscal year 1982-83. Section 4 appropriates \$6,075 to cover the cost of certain aspects of the PKU Program for fiscal year 1981-82.

H.F. 2477 -- This bill appropriates federal funds made available from federal block grants, allocates portions of federal block grants, transfers funds between federal block grants, and provides procedures if federal block grants are consolidated or expanded. A total of \$1,543,343 is transferred from the State Department of Health to the University of Iowa Hospitals and Clinics for Specialized Child Health Services. There is a reporting requirement to be submitted to the Joint Human Resources Appropriations Subcommittee by January 31, 1983, on use of those funds. The only other block grant entitlement affecting institutions under the board is a \$3,858

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entitlement to the University of Northern Iowa and Price Lab School in the education block grant administered through the Department of Public Instruction.

President Brownlee noted that the board had some initial objections to H.F. 828, which abolishes the State Historical Department, the State Historical Board, and three divisions of the department, and creates a State Historical Department administered by an executive director appointed by the Governor with Senate confirmation and creates a seven-member board appointed by the Governor with Senate confirmation to advise the executive director. One of the members shall be an historian employed by an institution of higher learning under the control of the State Board of Regents.

Among the powers and duties of the executive director is to collect, preserve, organize, classify, interpret, and exhibit materials relative to the archaeology and history of the state and region. Duties prescribed under that subsection will not affect the duties of the state archaeologist as defined in Chapter 305A. The State Historical Board is required to maintain research centers in both Des Moines and Iowa City. The board has the authority to enter into appropriate agreements with any Board of Regents institution or an accredited private institution to establish multi-county area research centers, which are intended to serve as depositories for the archives of counties and cities and for other unpublished original resource material of a given area to be designated in the agreement.

The Board Office said the board had two concerns relative to this bill during formulation. One issue was that the headquarters of the State Historical Society, its library, its publication, and its field services activities would continue to be located in Iowa City. The other was clearly distinguishing between the separate missions of the State Historical Department and the Office of the State Archaeologist. Mr. McMurray said these concerns were fully met in the final bill that passed the Legislature.

Mr. Richey said the Board Office is moving to work with the institutions to implement legislation to the extent that the Board of Regents is involved. At the same time it is keeping track of possible needs for legislation to be proposed for the board's consideration this fall.

Mr. McMurray called the board's attention to the final pages of the Board Office report which covered the interim committees that will be studying topics of interest to the board and the institutions. Most of these committees will meet in late fall after the election.

Mr. McMurray said the most important committee in terms of immediate impact on the Board of Regents is the one on Contract and Bidding Procedures. This study comes from SCR 106 and calls for a study of the feasibility of uniform public body bid laws on building or construction work paid with any public funds and calls for an investigation of the extent of building and construction projects by major public bodies such as cities, counties, the Board of Regents, and the Department of Transportation by their own work forces and equipment; the expansion of public body work forces in the past decade

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and the accounting practices followed in cost allocations involving those projects; and an analysis of the ultimate costs and benefits of private sector bidding and its tax revenue potential.

The study committee is authorized two meeting days and will consist of ten members drawn from the State Government Committees. Chairpersons will be Senator Nystrom and Representative Trucano. Other members named at this time include Senators Briles and Drake and Representatives Smith, Lageschulte, Rod Halverson, and Renaud.

The Board Office mentioned three other interim study committees whose work would be of interest to the Regents:

Federal Budget Impact Review. This study committee is evidently formed to monitor federal actions and how those actions affect state budgets. Because there is not a specific study committee dealing with federal actions on student aid, this study committee might be the vehicle for such work. It is authorized three meeting days and consists of 14 members, including the chairperson and ranking member of Ways and Means, chairperson and ranking member of Appropriations, and leadership generally.

Equal Pay for Equal Work. This study is prompted by HCR 141, which calls for a study committee to examine equal pay for work of equal value and for the study committee to consider issues involved in the equal work concept, particularly those relating to the elimination of pay discrimination through the establishment of "equal pay for work of equal value" principles.

The study committee will be formed from the State Government Committees and will consist of ten members. Two meeting days are authorized.

K-12 School Finance. This is a study financed by a federal grant. Its exact charge needs to be explored further. There will be ten members with the co-chairs being Senator Gratias and Representative Daggett. Three meeting days are authorized.

The Final Legislative Report, 1982 Session, was received by general consent of the board.

1982-83 PARENT OR GUARDIAN TRANSPORTATION REIMBURSEMENT: IOWA SCHOOL FOR THE DEAF AND IOWA BRAILLE AND SIGHT SAVING SCHOOL. It was recommended:

1. That the per mile rate for parent or guardian travel reimbursement at both Iowa School for the Deaf and Iowa Braille and Sight Saving School be increased from 15¢ per mile to 17¢ per mile, and
2. That where more than one child is involved per family, the parents be reimbursed for one trip only.

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The Board Office explained that the Code of Iowa was amended in 1980 to allow the Board of Regents to establish travel reimbursement policy for parents or guardians of students at the special schools. Prior to July 1, 1980, parental or guardian travel reimbursement authority for ISD and IBSSS was subject to the limitations of the Code of Iowa Chapter 285.1 (State Aid for Transportation) as well as Chapter 270.9 (Iowa School for the Deaf).

As previously reported by the Board Office, there are some differences in how each institution reimburses parents or guardians of the students for travel cost incurred. One institution reimburses parents for travel between home and bus; the other does not. One institution reimburses for travel up to ten miles a day for day students. The other reimburses day student travel costs only when other arrangements cannot be made. One institution reimburses for trips from home to the institution and back at the beginning and the end of the school year while the other institution does not.

The cost to standardize reimbursement policies between the two schools has been estimated at approximately \$50,000 annually. Funds are not currently available for this purpose. Iowa School for the Deaf reported that it will consider seeking special funding in the 1983-85 biennium toward equalizing parental or guardian travel reimbursement policy at the two schools.

Both Iowa School for the Deaf and Iowa Braille and Sight Saving School recommended that the reimbursement rate per mile of 15¢ be continued through FY 1982-83. The Board Office, however, recommended an increase from 15¢ to 17¢ per mile in response to a significant increase in private vehicle reimbursement rates for state employees during the 1981-83 biennium. The additional cost to Iowa School for the Deaf is estimated at \$500 annually. The estimated cost for Iowa Braille and Sight Saving School is \$1,600 annually. The institutions were asked to utilize contingent funds in support of these additional costs.

The difference in reimbursement between parents or guardians of students and state employees for personal vehicle travel reimbursement had grown too much to defer action for the full 1981-83 biennium. The incremental approach proposed would help offset part of the growth in costs to parents and may avoid a potentially larger problem later.

The Board Office said this issue should be brought to the attention of the Governor and General Assembly through development of the budget requests for these institutions for the 1983-85 biennium.

Regent Anderson asked for more information about the handling of transportation of students under this policy. Superintendent Giangreco explained that at the Iowa School for the Deaf students are taken to their homes on ten weekends per year by commercial buses chartered (through a bidding process) by the school. The students are picked up at school, taken home, and returned to school when the weekend is over. The school pays the full cost; it may be more or less than 15¢ per mile. The payment of 15¢ per mile directly to the parent is used only in the case of local students whose parents must bring them to school every day because there is no local bus available.

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In answer to a question from Regent Jorgensen, Dr. Giangreco said that if transportation is furnished and a parent chose to pick up the child instead, reimbursement would not be made by the school. He added that Iowa School for the Deaf pioneered this system and thinks it is a good one; the parents seem happy with it.

At Iowa Braille and Sight Saving School, according to Mr. Richey, buses are owned by the school. The IBSSS buses do not as a rule drop off students at their homes, so the parent has to drive part of the distance. The parent will therefore be reimbursed for the distance he has to drive. Superintendent DeMott said it was a combination of furnished bus transportation and reimbursed private vehicle driving.

Regent Anderson asked how this policy had been established. Superintendent DeMott explained that it had been established by legislative action related to the whole concept of paying transportation costs for handicapped children and was intended originally for children in local school districts. It had been imposed on systems already in use at the two special schools. Mr. Richey told Regent Anderson that there had been some money appropriated at the outset of this program but not enough to cover costs.

Superintendent DeMott said the two schools would have preferred to leave the rate at 15¢ for one more year and then make the necessary adjustments as part of the budget for 1983-85. The budget process has already been gone through for 1982-83; this will be an additional amount imposed. He commented that other issues were of more importance to IBSSS parents than the rate of transportation reimbursement.

Regent Anderson asked if this recommendation would in any way bring these two plans closer together. Mr. Richey said it would not. This issue would be before the board in the 1983-85 biennial budget request. It would be necessary to assess the situation at the two institutions and see how they might be brought closer together.

MOTION:

Dr. Harris moved (1) that the per mile rate for parent or guardian travel reimbursement at both Iowa School for the Deaf and Iowa Braille and Sight Saving School be increased from 15¢ per mile to 17¢ per mile, and (2) that where more than one child is involved per family, the parents be reimbursed for one trip only. Mr. Nolting seconded the motion. The motion passed with Mrs. Anderson voting no.

1983-85 BIENNIAL BUDGET PREPARATION. It was recommended that the board receive the unit and variable cost reports for 1980-81.

The Board Office reported that subsequent to the preliminary report in April on budget preparation, the Regent institutions have worked together in the continuing process of developing 1983-85 budget askings.

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The Board Office has continued to work with the State Comptroller's Office in determining specific reporting requirements for the 1983-85 biennium. The State Comptroller's Office proposed additional reporting requirements for nongeneral funds and an expanded set of income and expense categories. Certain exemptions that were asked for by the Board Office were not agreed to by the State Comptroller's Office. Regent institutions will be preparing state budget materials in a form comparable to that prepared two years ago with the exception of additional reporting requirements on federal funds and on funds other than the general funds (e.g., restricted funds, auxiliary activity funds, revolving funds, loan funds, equipment funds, and plant funds).

The Board Office had received two documents which indicate state budget assumptions. The state Budget Procedures Manual for the 1983-85 biennium confirms that a modified base budget concept will again be utilized. All state agencies are to use as a starting base for the 1983-85 biennium 90 percent of the 1982-83 approved budget. The Budget Procedures Manual calls for a 5 percent increase in nonsalary items for the second year of the new biennium. Special consideration will be given to costs of fuel and purchased electricity. All state agencies were instructed not to ask for any pay plan adjustments at this time.

In correspondence to agency heads from the State Comptroller, general economic conditions and special areas for budget consideration were identified. Areas that the State Comptroller indicates are in need of special consideration include: reducing supervisory costs, reducing costly paperwork, implementing the Governor's Economy Committee '79 recommendations that have been determined to be feasible, looking at ways to reduce demand rather than seek new funding, encouraging the employee incentive program (VIP) designed to save the state money, improving data processing and communications planning to assure appropriateness of requests for additional support, and maximizing revenue including timely billing and receipts collection. His intent is to include in the budget process all funds received by any agency receiving a state appropriation.

Mr. Richey called the board's attention to the report on unit and variable costs of instruction. He said this was prepared every two years and pointed out that the costs are approximately a year old by the time they are reported. These costs are computed on certain assumptions and show trends and results based on the assumptions utilized. Mr. Richey said these reports used to be much more important because they served as a basis for funding enrollment growth; however, this had not been the case since the 1979-81 biennium.

The Board Office said the report was for 1980-81, the most recent year for which there was audited information. It noted that 1980-81 was an atypical year in that, even in the face of increasing enrollments, state economic conditions required a 4.6 percent in-year reduction of operating appropriations. Because of the need to reduce operating funds on very short notice, each institution reduced expenditures as best it could while minimizing

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damage to ongoing programs. Reduced appropriations coupled with enrollment increases has tended to flatten the cost increase curve normally anticipated with increasing tuition and appropriations for price inflation.

The primary purpose of the unit cost study is to compute average costs for each student full-time equivalent, which is defined as 31 semester credit hours or its equivalent for undergraduates and 18 semester credit hours or its equivalent for graduates. Each professional student is counted as one full-time equivalent. Costs are distributed to instruction among five student levels including lower division, upper division, master's, advanced graduate, and professional.

The Board Office said that average cost information thus computed can be useful in high aggregate budget analysis relating to enrollment and cost changes. It may be used for reporting costs to external agencies. It is also useful in recording changes over time and for identifying, where possible, causes of change.

Based on established definitions of what university programs are included in computing the unit cost of instruction and what programs are appropriately excluded, total cost information matching annual financial reports are stratified as follows:

Programs Included in Unit Costs

Instruction
Organized Research
Academic Support (Selected Activity)
Student Services
Institutional Support
Plant Operation and Maintenance
(Excluding Building Repairs)

Programs Excluded from Unit Costs

Building Repairs
Public Service
Scholarships and Fellowships
Auxiliary Enterprises
Health Care Units
Academic Support (Selected Activity)
Indirect Cost Recovery

The Board Office stated that using prescribed allocation procedures for direct costs of instruction, primarily faculty salaries, included program costs have been distributed to the five student levels of instruction. Faculty activity information utilized in assigning costs by level of instruction are not uniform among the universities. This has an unknown impact on cost assignment by level of student. In addition, it has been determined that the allocation ratios for library costs are not uniformly applied among the three universities.

The Board Office reported that student full-time equivalent (FTE) increased among the universities from 3.6 percent at UNI to 8.2 percent at SUI, with a 6.0 percent increase at ISU, in the two years since the previous report. Average unit costs over the same period increased 10.3 percent for SUI, 12.1 percent for ISU, and 14.7 percent for UNI. Among the five levels of instructional cost reported, there were no declines in the average costs reported. Among the five levels of instructional costs reported, only master's level enrollment declined. The most significant increases in

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average unit costs occurred at the graduate level and, basically, were the result of enrollment decline in two cases and replacement of lost federal funds (excluded costs) with general funds (included costs) in another case.

Variable costs are defined as those costs considered to vary with or be sensitive to changes in enrollment. Thus, university variable costs of instruction start with those programs included in average costs of instruction and then exclude cost categories considered fixed or semi-fixed. The variable unit cost of instruction excludes, in addition, organized (separately budgeted) research, library acquisitions, plant operations and maintenance, and equipment costs. These additional exclusions do not change significantly as enrollment changes, at least in the short run. Remaining costs, variable costs, tend to move up or down more closely with changes in enrollment from year to year.

The table below shows unit and variable costs per FTE student for each of the universities.

COMPOSITE UNIT AND VARIABLE COSTS - 1980-81

	<u>Unit Cost Per FTE Student</u>	<u>Variable Cost Per FTE Student</u>
University of Iowa	\$4,665	\$3,725
Iowa State University	3,750	2,555
University of Northern Iowa	3,260	2,531

The Board Office noted that the Committee of Nine, the interinstitutional committee that establishes the form and content for the unit cost study, will be reviewing the whole process in the upcoming year. There remain certain differences in reporting among the institutions. There is also a question as to whether some of the data now collected needs to be collected. It is possible that the next unit cost study will incorporate significant changes from the current study.

President Brownlee reminded the board of the forthcoming schedule in the budget preparation process. The board will be asked to take tentative action in September on the complete range of askings from the campuses along with Board Office recommendations. In addition, tuition policies will be recommended to the board in September. In October it will be asked to take final action on the 1983-85 biennium askings, including any action taken on tuition and fee changes. The total Regent

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1981-83 biennial budget must be in the State Comptroller's Office by November 1, 1982. The Regents' budget document is to be completed by the end of December with transmittal to the Executive and Legislative branches prior to the beginning of the 1983 legislative session.

The report on unit and variable costs for 1980-81 was received by general consent of the board.

BOARD OFFICE PERSONNEL REGISTER. The following actions reported in the Board Office Personnel Register were ratified by the board:

Leave of Absence: Cecelia Mininger, Accountant, one year leave of absence without pay, effective August 9, 1982. Ms. Mininger has accepted an assignment as a Peace Corps Volunteer in the Dominican Republic.

Appointment: Carol L. Demko, Account Specialist, one-year appointment, Grade 111, Step 5, \$8.18 per hour, 75% FTE with usual fringe benefits, effective July 19, 1982.

Expiration of Appointment: Cathy Crippen, Secretary II, emergency appointment, effective June 30, 1982.

NEXT MEETINGS. President Brownlee announced that he had distributed a schedule of meetings for January through May 1982. These meetings are scheduled to fall on the third Wednesday and possibly third Thursday of each month. If board members had no objections, this schedule would be adopted with the condition that changes would be made if necessary if the budget process or the schedule of the General Assembly required additional meetings or changes. The next meetings are as follows:

September 21-23	University of Iowa (Academic Seminar)*	Iowa City
October 20-21	Iowa School for the Deaf (Academic Sem.)*	Council Bluffs
November 17-18		Des Moines
December 15-16	University of Northern Iowa	Cedar Falls
January 19-20	Iowa State University	Ames
February 16-17		Des Moines
March 16-17	Iowa State University	Ames
April 20-21	University of Iowa/Iowa Braille and Sight Saving School	Iowa City/ Vinton
May 18-19	University of Northern Iowa	Cedar Falls

* The academic seminar will be held on the first two days of the September meeting and the first day of the October meeting.

SUPPLEMENTAL ITEM. President Brownlee stated that he recently had received a communication, directed to the board, of a request for appeal of award of contract for coal supplied to the University of Iowa. The board acknowledged this petition of the Iowa Coal Producers Association relative to award of that contract. President Brownlee said the petition had been received too late for Board Office and institutional staff to review it before the board meeting. This review would be done during the next several weeks, and the board would be kept advised.

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President Brownlee said the board had asked the University of Iowa to prepare a report on coal purchases. The report, prepared by Acting Associate Vice President for Finance and University Services Casey Mahon, included the following points:

In awarding the coal contract, as in all procurement decisions, the University of Iowa adheres to those provisions concerning competitive bidding and the Iowa preference law. The procurement policy of the Board of Regents appears in the Iowa Administrative Code, 720-8.1:

The board affirms that the best interests of the state of Iowa and of the Regent institutions are served through implementation of a full and free competitive system fostered by use of open specifications, competitive bids or quotations, and awards to the lowest responsible bidder. To further a competitive and economical system, the following operating rules are hereby adopted:

1. Preference shall be given to Iowa products and suppliers. This preference shall exist when Iowa products can be obtained at equal or less cost and are of equal quality as those products obtainable from out of state suppliers . . .

The Iowa preference law provides, in pertinent part:

. . . it shall be unlawful for any . . . governing body of the state . . . to purchase or use any coal except that mined or produced within the state The provisions of this section shall not be applicable . . . if the use of the coal produced within the state would materially lessen the efficiency or increase the cost of operating such purchasers' heating or power plant (Section 73.6, Iowa Code 1981).

In accordance with these provisions, and as in past years, the university sought competitive bids from a number of coal contractors. Ten bids were received, with the low bidder being ConAgra of Indiana with a bid of \$1.7572 per million B.T.U. at a total price of \$4,647,794. The seventh low bidder was Iowa Coal Sales Corporation of Centerville, Iowa, with a bid of \$1.9833 per million B.T.U. at a total price of \$5,245,828. The difference between the bids was \$598,034. All figures are based on the standard calculation of coal bid costs.

Ms. Mahon reported that it has been the custom for the past few years for the university to visit the site or sites identified by the bidder as the coal source. These visits have been made because, although a performance bond stands behind the successful coal bidder, prudence suggests that the university reassure itself that the source or sources are capable of producing coal of the quantity and quality desired when it is needed.

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In May of this year, university officials traveled to Martin County, Indiana, to inspect the mine identified in the bid as the source of coal. The officials were of the view that there was insufficient equipment on the site to operate the mine in time to begin shipments to the university in July. Three days later, the officials visited the mine of the second low bidder and were dissatisfied with the equipment. ConAgra then advised University of Iowa officials that a second mine would be available as a source for the coal. University officials visiting that mine found the equipment adequate. The contract was subsequently awarded to ConAgra.

The specifications in the request for bid contained the standard clause present in all university requests for bids and quotations permitting waiver of irregularities. Pursuant to this clause, the irregularity concerning the exact location of the coal source was waived and, after consultation with the Board Office, the contract was awarded to the low bidder, ConAgra.

Ms. Mahon said that, subsequent to the award of the contract, the state's Citizens' Aide/Ombudsman contacted the university and indicated that he had received an inquiry concerning the award of the bid to ConAgra. Concern about the award had also been expressed by several members of the General Assembly. The university had been advised by the Attorney General's Office that an opinion on the legality of the award was being sought.

The principal concerns expressed by these individuals are several: first, there has been an indication that the university's decision to waive the irregularity and permit ConAgra to identify a different mine as a source of the coal was inappropriate. The university does not believe this to be the case. Neither the coal price nor the B.T.U. value guaranteed was changed. The irregularity waived was not substantive. The university believed the waiver of the irregularity was appropriate and fiscally prudent.

Other concerns had been raised relating to additional interest costs and storage costs involved in the handling of out-of-state coal. According to the university's calculations, these costs might reach \$108,000. Adding this figure to ConAgra's bid, the ConAgra bid is lower than the Iowa Coal Sales bid by approximately \$490,000.

Ms. Mahon's report concluded by saying that the University of Iowa regretted that an Iowa company was not the low bidder. It was of the view, however, that the judgment to award the contract to ConAgra was financially prudent and in accordance with state law and Board of Regents procedures. The university will continue to cooperate in every way with officials and other departments in state government interested in this matter.

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Mr. Richey commented briefly on coal matters at the other Regent institutions. Board Office and Iowa State University staff had met recently to review ISU's outstanding coal contracts from an economic standpoint, given the present condition of the coal industry. The contracts presently in force were deemed to be competitive. There would be no savings if the contracts were terminated and re-bid. Mr. Richey said there were two five-year contracts, renewable for five years. The board would be involved in any decisions regarding these contracts.

Another matter discussed with Iowa State officials was emission control and compliance with air quality regulations. Iowa State university must submit a new emission control program to the Department of Environmental Quality by August 15 to bring it into compliance. Mr. Richey said it had been suggested that the university request an extension until October 30, in order to give the Board Office and the university time to study possible implications for the 1983-85 capital askings. The university is also looking into possible alternative costs of accomplishing the costs of compliance, such as running the plant at less than peak capacity.

Mr. Richey noted that there are no major problems at the other regental institutions with respect to emission reduction.

The University of Northern Iowa currently has two coal contracts out for bid, one for coal to be burned in the old boiler plant without emission controls and one for coal to be burned in the new boiler plant. Iowa coal can meet the specifications for coal to be burned in the new boiler; in the old boiler plant it cannot.

Mr. Richey said the board would be kept fully informed of all developments in the coal matters.

President Brownlee then asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to the general docket. There were none.

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, July 21, 1982.

REGISTER OF PERSONNEL CHANGES. The board ratified the actions in the Register of Personnel Changes by general consent.

REPORT ON INFORMATION TECHNOLOGY. It was recommended:

1. That the Board of Regents receive the Report on Information Technology.
2. That the responsibility of the Office of Information Technology be expanded to serve as liaison to the State Communications Advisory Council Task Forces for all university communications and data processing services including the University Hospitals.

The Board Office stated that the Report on Information Technology presented by the University of Iowa provided support for its creation of an Office of Information Technology. According to the institution, the responsibilities of the office will be as follows:

Provide advice on developments in information technology and their potential impact on the university.

Plan and coordinate the development of the communication systems of the university including telephone, broadband cable, cable TV, microwave systems, and building management and security systems.

Be responsible as designated through the Vice Presidents for Educational Development and Research and Finance and University Services for academic and administrative computing (Weeg Computing Center, Administrative Data Processing, and decentralized computing units).

Maintain an active liaison with units involved in the development of video facilities and their utilization.

Provide a university-wide resource for information and advice about the use of information technology, particularly word processing and office automation.

Provide leadership and planning for the use of information technology. Foster creative development projects in this area which are of university-wide benefit.

The Board Office reminded the board of its report on academic computing services dated April 1981 which was authored by representatives of the universities and the Board Office. The report cited the pervasive use of computers throughout society and their broad applicability on the university campuses. A large portion of the tremendous computer growth on campus results from the development of the "interactive" computer technology which allows many individuals to use the computer concurrently and to gain responses from the computer almost immediately. This development has led to a multitude of computer terminals throughout the campuses which involves more extensive communications.

The Board Office said that report recognized the development of word processing and electronic mail and suggested an interinstitutional ad hoc task force to follow up on the technology to consider how the Regent universities might best proceed with its coordination.

During the past year the universities and Board Office assigned representatives to the ad hoc task force which has recognized the trends in the industry and broadened its scope of consideration to include the technologies of communicating voice, data, text, and video. These means of generating, storing, communicating, and using information constitute the major elements of information technology. The task force has recognized the broader sense of communications and information technology and has begun developing a series of short reports on its various aspects.

A year ago, before the interinstitutional ad hoc task force was organized, the University of Iowa made an assignment to examine the broad scope of information technology and develop some preliminary planning. Nine university task forces consisting of a broad range of users were assigned to consider various aspects of the matter. The interinstitutional task force had been kept informed of these activities.

In its report the university noted a number of reasons for the creation of an Office of Information Technology. The Board Office commented on some of these briefly as follows:

Wide range of users. The various information technologies are being used to an ever greater extent by students, faculty, researchers, librarians, administrators, physical plant personnel, clerical personnel, health care personnel, and off-campus personnel. The technologies are used in essentially all academic and administrative departments throughout the campus. Accordingly, planning and coordination is needed to respond to the needs of this broad range of users.

Rapidly changing technology. Information and communications technologies are expected to continue to change significantly. More powerful personal computers are becoming available. Voice and video technology are incorporating digital techniques from the computer world. Continual study and coordination of information technologies and the potential merging of the various technologies are needed in order to purchase the most appropriate facilities.

Appropriate level of standardization. Some level of standardization is needed in order that equipment and procedures throughout the campus are kept compatible with each other; yet sufficient flexibility must be retained to provide for information with unique requirements such as chemical symbols, mathematical symbols, foreign languages, musical notations, graphic displays, etc. Standardization is needed to minimize the cost of training for the use of and maintenance of the facilities.

Security, privacy, data integrity, and office approval systems. Special attention is required to secure the physical equipment against theft or damage. Provisions are needed to ensure that data are not changed or deleted by unauthorized persons or by malfunctions of equipment or procedures. Effective systems for insuring privacy of student and employee personal data are mandatory. As office automation (the paperless office) is developed, methods need to be devised for appropriate executive approvals of administrative actions.

Information equipment suppliers. During recent years, a number of suppliers have become available for such items as central data processing units, computer memories, computer terminals, telephone switching systems, fiber optics, and others. Recent antitrust action will likely change the competitive system further. Some state agencies have acquired their own telephone system including switch gear, instruments, and wiring. Such equipment might save costs for the university, but careful planning is needed to assess the requirements for communicating data and video in addition to voice.

Cost-benefit trade-offs. The Board Office noted that there are a great many trade-offs to consider between performance of technologies and the costs of those technologies. There is the question of the optimum time for purchasing equipment in view of technological improvement and price changes. Ease of operation, training requirements, and maintenance requirements have a bearing on selection of equipment and overall system life cycle costs. Sizes of computers and their distribution on campus have a bearing on performance and costs. Costs are associated with security and privacy requirements. Accordingly, a high level of analysis and coordination is needed to obtain a practical optimization of costs versus benefits.

The university reported capital investment at cost of approximately \$35 million and annual operating costs of about \$15 million. This magnitude of cost justifies considerable effort to contain costs as information automation expands on campus.

The Board Office said that the Governor had asked that the Communications Advisory Council consider assuming responsibility for coordinating data processing as well as the communication activity established by statute. The Communications Advisory Council determined that it is feasible to add the responsibility for data processing on a voluntary basis, and it established a separate data processing task force. All Regent universities have been contributing representatives to the Communications Advisory Council task forces. The Board Office felt that some additional funding as well as personnel time may be needed in order to develop specifications for procurement of a first phase of a statewide communications system.

As envisioned, the statewide communication system would contain switching nodes at a few points throughout the state which might include the university switching systems. It is anticipated that the responsibility for operating and maintaining the switching system would be that of the agency in which it resides. As the universities consider replacement of switch gear, it is important that functional specifications be provided by the Communications Advisory Council so that equipment acquired may be appropriate for the statewide communications system. Moreover, means of funding for that portion of the switch gear that pertains to the statewide communication system would need to be considered.

The Board Office said the Office of Information Technology would be appropriate to represent the university and coordinate the activities of other university representatives on Communications Advisory Council task forces. This responsibility should include sufficient involvement with the University Hospitals data processing and communications systems to be able to represent its interests or obtain the participation of appropriate representatives of the hospital.

In conclusion, the Board Office expressed a word of caution, saying it should be emphasized that information technology should be regarded only as a tool, an extremely useful tool, for generating, storing, communicating, and using information. The Regent report on academic computing services of over a year ago contained the following statement which pertains as well to the broader concept of information technology:

The computer has a profound impact on a large portion of human endeavor by virtue of its capability for storing, manipulating, and displaying numbers and words or controlling equipment. The computer processes data and information. Most significantly, data processed by computer may represent numbers, text, pictures, sound, heartbeats, or almost anything. The computer is a tool, a utility, with which certain tasks can be performed far more rapidly, accurately, and conveniently than can be performed manually. Effectively used, computing can expand intellect and allow exploration not possible in the past.

Academe must not become so obsessed with the use of information technology that it neglects appropriate development by students and employees of powers such as observation, judgment, memory, understanding, skills, and so forth. Clearly, some people need to develop skills for manipulating surgical, physical, or biological instruments. Certainly, researchers need to learn to devise experiments that minimize biases and reveal systematic effects.

In view of the need for an orderly implementation of information technology considering its vast range of users and complexities, the Board Office endorsed the creation of an Office of Information Technology.

The Board Office recommended that the institutional report be accepted with expansion of the responsibility of the Office of Information Technology to serve as liaison to the State Communications Advisory Council task forces for all university communications and data processing services including the University Hospital.

A complete copy of the "Report to the Board of Regents on Developments in Information Technology at the University of Iowa, July 1982," is on file in the Board Office.

President Freedman said the purpose of the action requested by the university in establishing an Office of Information Technology is to formalize steps taken by the university in the last few years. This process had begun in 1978, when a committee chaired by James Van Allen recommended the establishment of such an office. President Freedman stated that the university had moved slowly in this matter as events have been developing.

Regent Anderson said that, while she did not question the importance of and need for this office, she wondered what the real cost would be for the new Office of Information Technology. She felt it obviously would be more than the salary of one person. She was answered by Vice President Priestersbach, who noted that the university is not starting with a whole new group of people. This department is actually already in existence in a dislocated way. The proposed organizational arrangement will have people now working in this technology brought into one unit. Vice President Priestersbach said he was not sure yet just how it would evolve. There might be some reassignments, but it would involve existing staff.

Mr. Richey commented on the second part of the recommended action. The whole field of data processing and communication is becoming a statewide issue. The state has a keen interest and is spending a great deal of money in this area. There will need to be much study and planning done. Through the Communications Advisory Council, the Board Office and the universities can become part of the state system in the most efficient and economical manner.

Regent Jorgensen commented that she found the report helpful in answering the questions she had raised at the last board meeting. She thought the university made a very positive case for the new technology and the new office.

MOTION:

Mr. McDonald moved (1) that the board receive the Report on Information Technology and (2) that the responsibility of the Office of Information Technology be expanded to serve as liaison to the State Communications Advisory Council Task Forces for all university communications and data processing services including the University Hospitals. Mrs. Jorgensen seconded the motion and it passed unanimously.

NEW PROFESSIONAL AND SCIENTIFIC CLASSIFICATION. It was recommended that the board approve addition of the classification of Director of the University Office of Information Technology in pay grade 18 of the University of Iowa's professional and scientific pay plan.

The Board Office explained that the proposed classification would focus responsibility for the implementation of information technology at the University of Iowa in a central administrative office. The incumbent would provide leadership and direction over a broad range of communications and computer systems. The level of responsibility and the fiscal and academic impact on the university, as well as required specialized knowledge, result in a point count evaluation of the position which places it in the highest professional and scientific pay grade, 18 (minimum \$38,790 - no established maximum). The salary proposed for the new director is in line with salaries paid by other major universities for similar responsibilities.

The Board Office plans to review the question of establishing a maximum salary for pay grade 18. This review will be accomplished in conjunction with the study of other issues relating to the pay plan that now is under way at the university.

Mr. Richey noted that the previous motion, assigning to this position the responsibility of serving as liaison to the State Communications Advisory Council, will be incorporated into the classification description. A complete copy of the classification description is on file in the Board Office.

MOTION:

Mr. Nolting moved that the board approve addition of the classification of Director of the University Office of Information Technology in pay grade 18 to the University of Iowa's professional and scientific pay plan. Dr. Harris seconded the motion and it passed unanimously.

APPOINTMENT. The board was requested to approve the following appointment:

James W. Johnson as Director of the University Office of Information Technology, effective July 1, 1982, at an annual salary of \$58,000. Mr. Johnson will be the first Director of the newly organized University Office of Information Technology.

MOTION:

Mr. Wenstrand moved that the board approve the appointment of James W. Johnson as Director of Information Technology. Mrs. Anderson seconded the motion and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the final register for July 1982 had been received, was in order, and was recommended for approval, with special attention to items listed under "Special Matters."

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Mr. McMurray noted that this was a record month for the Capital Registers of the Regent institutions: there were 46 bid openings and contract awards totaling \$12 million.

The following construction contracts awarded by the executive secretary were recommended for ratification:

<u>Macbride Hall--General Remodeling--Phase I</u> Award to: Burger Construction Co., Inc., Iowa City, Iowa	<u>\$208,150.00</u>
<u>University Hospital School--Roof Repair--Northwest Section</u> Award to: Townsend Roofing & Sheet Metal Co., Iowa City, Iowa	<u>\$85,706.00</u>
<u>Chemistry/Botany Building--NMR Facility Remodeling</u> Award to: Universal Climate Control, Inc., Iowa City, Iowa	<u>\$58,205.00</u>
<u>Pharmacy Building--Replace Roof</u> Award to: C & L Roofing, Inc., New Hartford, Iowa	<u>\$51,770.00</u>
<u>Fire Safety Deficiency Corrections--Phase I--Fire Alarm System</u> Award to: Sweeney Manning & Seivert, Inc., Granger, Iowa	<u>\$163,100.00</u>
<u>Recreation Building--Resurface Main Play Floor</u> Award to: V.F.I. Corp., Woodstock, Illinois	<u>\$99,874.00</u>
<u>Seashore Hall--Replace Roof--NW Section</u> Award to: CEI Industries of Iowa, Ltd., Dubuque, Iowa	<u>\$17,800.00</u>
<u>Motor Pool--Replace Roof</u> Award to: CEI Industries of Iowa, Ltd., Dubuque, Iowa	<u>\$20,000.00</u>
<u>English/Philosophy Building--Replace Roof</u> Award to: CEI Industries of Iowa, Ltd., Dubuque, Iowa	<u>\$14,300.00</u>
<u>Campus Garage--Replace Roof</u> Award to: Hartman & Sons Roofing, Cedar Rapids, Iowa	<u>\$17,948.00</u>
<u>Law Center--Roof Replacement--Library Section</u> Award to: CEI Industries of Iowa, Ltd., Dubuque, Iowa	<u>\$31,125.00</u>
<u>Zoology Building--Improve Electrical Service</u> Award to: Shay Electric Service, Inc., Iowa City, Iowa	<u>\$37,868.00</u>
<u>Medical Laboratories--Remodel Third Floor Area, Former LR 2</u> Award to: Frantz Construction Co., Inc., Iowa City, Iowa	<u>\$55,650.00</u>
<u>Kinnick Stadium--Primary Electrical Service</u> Award to: Gerard Electric, Inc., Iowa City, Iowa	<u>\$144,000.00</u>
<u>Engineering Building--Remodel Room 4301</u> Award to: R. K. Construction, Inc., Iowa City, Iowa	<u>\$139,794.00</u>
<u>Children's Hospital--Reoccupancy Remodeling--Phases IV and V</u> Award to: Volcan Construction Co., Des Moines, Iowa	<u>\$636,750.00</u>

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The Board Office noted that on the Children's Hospital project there is an interesting side light to what the present construction market brings. The university estimated that remodeling of 30,150 square feet would cost an average of \$35.16 per square foot. This estimate was based upon prior work done in three earlier phases in this building. The university estimate was \$1,060,000 for construction. The range of base bids was from \$602,000 to \$682,900. When the alternates are added, the university will gain the remodeled space for \$21.12 per square foot.

University Laundry Building Addition

Award to: B. A. Westbrook Construction, Inc., Marion, Iowa \$322,000.00

University Hospitals--Carver Pavilion--Phase C Completion

Award to: Knutson Construction Co., Minneapolis, Minnesota \$3,882,300.00

The Board Office said this award of \$3,882,300 compared with the estimated construction budget for the project of \$4,859,285.

The university submitted for approval a life-cycle cost analysis for Carver Pavilion, Phase C Completion. The Board of Regents policy on energy management in design of new or remodeled space requires a designer to provide a written report to the board at the completion of the design development. This report details how guidelines for energy conservation were followed including alternatives considered and gives design recommendations for energy areas such as HVAC systems, lighting systems, and specialty systems.

The life-cycle analysis for this project was prepared by Hansen Lind Meyer, Engineers. The report states:

We have pursued a number of factors in the design which we feel will help reduce overall energy requirements. Obviously, hospitals are voracious consumers of energy, but we feel that this appetite can be blunted to a degree.

The report then goes on to indicate which systems were subjected to analysis and the types of systems ultimately selected. The report covers the exterior walls and insulation, windows, and roof, as well as the electrical and mechanical systems. Director Colloton noted in a cover memorandum that the building envelope substantially exceeds energy efficiency requirements. Consistent with the high standards imposed by accrediting and other regulatory agencies for hospital laboratory facilities, the most cost effective mechanical system coordinate with these standards has been identified and selected.

The Board Office recommended that the board approve this life-cycle cost analysis report with the understanding that the process is evolutionary and subject to further considerations and changes in future design. Both this report and the earlier one on the Communications Facility are subject to further study. Mr. McMurray noted that there are forthcoming life-cycle analysis reports for the Theatre Addition and for the Mechanical Engineering Building at Iowa State University.

Regent Wenstrand asked if the life-cycle analyses are a substantially different method than the board had previously used and whether they are considered beneficial. Mr. McMurray said the process is considered beneficial and thought that as it evolved it would become more so. One reason for this is that the board has adopted a series of guidelines for architects and engineers to use when selecting mechanical systems. Before these guidelines were established, these systems were chosen in a more informal way and, particularly in the 1970s, were not necessarily energy efficient but were selected because they were the most aesthetically pleasing or for other reasons. The Regents wish to avoid this type of problem in the future. The life-cycle analysis reports and the guidelines provide that the most energy efficient process is chosen. Regent Wenstrand was pleased that this method had an impact and provided real assistance.

The board was requested to approve the following contract change order:

Campus Electrical Supply Renovations

The board was requested to approve this contract change order in the amount of \$27,666.02 with O'Brien Electrical Contractors, Inc. This is the third change order affecting project revisions approved in November 1981 connected with the hospital circle duct bank crossing. Those three change orders utilize \$129,828 of the budget revision.

The board was requested to approve the following new projects:

University Hospitals--Ward C-53 Remodeling

Source of Funds: University Hospital Building Usage Funds \$387,950.00

The Board Office pointed out that the university had requested permission to accomplish the vast majority of the work on this project using University Hospitals plant operation staff. Acoustical ceilings, finished flooring, and HVAC work totaling \$103,000 would be done by outside contract. Physical plant work is budgeted at \$258,400. The university noted that because this project involves remodeling an existing open ward area into semi-private patient rooms and refurbishing existing adjacent patient rooms and support areas to complement functional improvements to the ward area, the work can best be accomplished by institutional personnel who will minimize disruption on adjacent patient care areas through flexible scheduling of workers, greater flexibility for after-hour work, and improvement of overall efficiency of ongoing operations.

The Board Office recommended approval, but cautioned the board that the contractors' associations will probably find such use of in-house labor objectionable, notwithstanding the reasons for its use.

Psychiatric Hospital--Fire Sprinkler Improvements

Source of Funds: Psychiatric Hospital Building Usage Funds \$71,800.00

The University Architect's Office was selected as inspection supervisor.

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Psychiatric Hospital--Fire Safety Improvements

Source of Funds: Psychiatric Hospital Building Usage Funds \$72,270.00

The University Architect's Office was selected as inspection supervisor.

Psychiatric Hospital--Fire Exit Development

Source of Funds: Psychiatric Hospital Building Usage Funds \$78,650.00

The University Architect's Office was selected as inspection supervisor.

University Hospitals--Medical Intensive Care Unit

Source of Funds: University Hospitals Building Usage Funds \$563,000.00

The University Architect's Office was selected as architect and inspection supervisor.

Macbride Hall--Remodel 116, 117 Areas

Source of Funds: General University Building Repairs \$36,000.00

The Physical Plant Department was selected as engineer and inspection supervisor. The Board Office said this project changes space vacated by the relocation of Sociology to Seashore Hall and Anthropology within Macbride Hall into three general assignment classrooms.

University Library--Electrical Renovations

Source of Funds:	Treasurer's Temporary Investments	\$561,000	
	General University Building Repairs	125,000	
	Physical Plant Maintenance	<u>125,000</u>	
	TOTAL		<u>\$811,000.00</u>

The Physical Plant Department was selected as inspection supervisor. The purpose of the project is to replace seven older PCB transformers with newer PCB free power transformers of sufficient capacity to meet all foreseen future power needs in the library.

The board was requested to ratify selection of Beling Consultants, Moline, Illinois, to provide final design services on this project on an hourly rate basis to a maximum of \$19,801.

Macbride Hall--Remodel 113,114,119 Areas

Source of Funds: General University Building Repairs \$28,800.00

The Physical Plant Department was selected as engineer and inspection supervisor. The project consists of renovating space in the northwest section of the building for offices for Anthropology. That department is being moved out of the center section for the "Iowa Hall" project.

The board was requested to take action on the following consultant contracts:

Recreation Building--Utility Tunnel Wall Failure

Ratify selection of Shoemaker & Haaland, Coralville, Iowa, to provide final design services on an hourly rate basis to a maximum of \$2,500. The board had in June approved use of this firm for a preliminary study for a lump sum fee of \$1,500. The board has not approved a project budget to date.

The board was also requested to ratify selection of Shoemaker & Haaland, Coralville, Iowa, to provide construction contract administration and project quality control during the construction of this project on an hourly rate basis to a maximum of \$1,700.

Children's Hospital--Reoccupancy Remodeling--Phase III

Ratify payment of \$3,625 to Wehner, Nowysz, Pattschull & Pfiffner, Inc., Iowa City, Iowa, for additional services provided on this project. The university requested the firm to evaluate pre-manufactured modules to serve as Family Practice Residence Center.

Children's Hospital--Electrical Power Utility Service

Ratify payment of \$2,311 to Wehner, Nowysz, Pattschull & Pfiffner, Inc., Iowa City, Iowa, for additional architectural services on this project involving the evaluation of the electrical system for the Children's Hospital as to adequacy.

Recreation Building--Resurface Main Play Floor

Ratify selection of Shoemaker & Haaland, Coralville, Iowa, to provide the final design services on the project on an hourly rate basis to a maximum of \$4,500. The contract was awarded on the project this month.

University Hospitals--Orthopaedics Store Room 31-115 and Vocational Rehabilitation Offices, 81-116

Ratify selection of Shive-Hattery & Associates, Cedar Rapids, Iowa, to provide full-range engineering services on this project for a lump sum fee of \$1,200. The board has not approved a project budget to date.

Medical Laboratories--Animal Care Unit Remodeling

Ratify selection of Beling Consultants, Moline, Illinois, to conduct a preliminary study for the renovation of the Medical Laboratory Building, fourth floor, east, animal area. The purpose of this study would be to establish a scope of work for the overall project and also establish a project budget. The engineering fee would be a lump sum fee of \$3,800.

The Board Office said the board had granted permission to the university in February to negotiate with architects/engineers on this project. Those negotiations have now been completed. The board was requested to approve the selection of Beling Consultants, Inc., Moline, Illinois, to provide

design services through the bidding stage for the project. Fees would be on an hourly rate basis to a maximum of \$35,100 plus reimbursables of \$1,100. The agreement would be on the standard form. That form will note that Wehner, Nowysz, Pattschull & Pfiffner, Iowa City, Iowa, will be retained by Beling to provide architectural assistance on the project.

The board will receive a project description and preliminary budget at a later date. The project is intended to remodel the fourth floor, east wing, of the Medical Laboratories Building to a level sufficient to meet federally mandated standards for animal care facilities.

Library--Site Development

Ratify selection of Crose-Gardner Associates, Des Moines, Iowa, to prepare conceptual development plans for the area south of the Library. The fee would be on an hourly rate basis to a maximum of \$21,700 plus standard reimbursable expenses.

Hancher Auditorium--Sales Boutique

Ratify selection of Wehner, Nowysz, Pattschull & Pfiffner, Inc., Iowa City, Iowa, to provide final design services on this project on an hourly rate basis to a maximum of \$5,000. The board has not approved a project budget to date. Originally, this firm was selected to conduct a preliminary study with fees on an hourly rate basis to a maximum of \$2,925.

Pharmacy Building--Repair Terra Cotta Panels

Ratify payment of up to \$1,700 to Harvey W. Henry Architect, Coralville, Iowa, for additional design services on this project.

The board was also requested to ratify selection of Harvey W. Henry, Coralville, Iowa, to provide contract administration and project quality control during construction of this project with the fee to be on an hourly rate basis to a maximum of \$1,200.

University Hospitals--Barber/Beauty Shop

Ratify selection of Milani-Restrepo Partnership, Des Moines, Iowa, to provide full-range architectural services on this project on an hourly rate basis to a maximum of \$1,300. The board has not approved a project budget to date.

Roof Replacements--Five Buildings

Ratify selection of Pierce King Architect & Associates, Iowa City, Iowa, to provide architectural services during the construction document phase (those construction contracts have already been awarded) and contract administration and project quality control during construction of the projects. Fees would be on an hourly basis to a maximum of \$9,470 including reimbursable expenses of \$650.

Old Capitol--West Terrace Reconstruction

Approve selection of Crose-Gardner Associates, Des Moines, Iowa, to provide full-range architectural services on this project on an hourly rate basis to a maximum of \$27,000. The university would use a letter form contract rather than the standard agreement because it is something other than the normal construction project. The project involves reconstructing the terrace and redeveloping the associated site. The university has determined that rebuilding should take the form of restoration to the original design. The board has not approved a project budget to date.

Kinnick Stadium--Primary Electrical Service

Ratify selection of Shoemaker & Haaland Professional Engineers, Coralville, Iowa, to provide contract administration and project quality control on this project on an hourly rate basis to a maximum of \$7,552. The contract was awarded this month.

Kinnick Stadium--Construct Women's Restrooms

The board approved a project at its June 1982 meeting to construct 48 new women's water closets in two areas on the east and west sides of Kinnick Stadium. Estimated project cost was \$155,000.

The board was now requested to ratify selection of Shoemaker & Haaland Engineers, Coralville, Iowa, to provide final design services on this project on an hourly rate basis to a maximum of \$8,400. The project schedule would have design completed by August 19, bids received on September 8, and construction begun on September 15. This work is in addition to the remodeling of two west-side areas to gain 23 women's water closets. The Board Office said that project is underway via change orders with the prime contractor on the Kinnick Stadium project.

University Hospitals--Dermatology Waiting Room

Ratify selection of Miner Consulting Engineers, Rock Island, Illinois, to provide full-range engineering services on this project on an hourly rate basis to a maximum of \$500. The board has not approved a project budget to date.

Kinnick Stadium--North End Zone Seating Expansion

The board in April authorized the university to recommend an architect and to negotiate a contract for design services for this project. This action followed rejection of bids received on the initial design.

The Board Office said that the Iowa Chapter of AIA was notified of the university's interest. Six responses were received. Three firms were interviewed. The Architectural Selection Committee recommended the selection of Thorson Brom Broshar Snyder, Waterloo, Iowa, and Shive-Hattery & Associates, Iowa City, Iowa, in a joint venture.

The university noted the initial planning activity will consist of the identification of seating design alternatives that will meet functional and financial constraints.

The university requested approval of selection of Thorson Brom Broshar Snyder, Waterloo, Iowa, to provide project design services with Shive-Hattery & Associates, Iowa City, Iowa, serving as an engineering consultant to the firm. The contract would be on letter form providing for an hourly rate contract up to a maximum of \$29,000. When the preliminary design and cost estimate is gained, the university will negotiate a standard form of agreement for consideration by the board. The fee for the initial work will be incorporated into the final agreement. The Board Office recommended approval.

Water Plant Expansion--Feasibility Study

The Board Office reported that the university has had as a high priority utility need for several years an addition to the Water Plant. The July 1982 cost of this addition would be \$3,700,000. In the meantime, the university has determined that the city of Iowa City has excess capacity in its water system.

The university requested permission to negotiate with Stanley Consultants, Inc., Muscatine, Iowa, for a feasibility study on interconnecting buildings not requiring softened water with the city of Iowa City's system and, if the results of that investigation determine that such an interconnection is not feasible, Stanley Consultants will further investigate expansion of the existing water plant to meet the increased needs for water at the university. The plan for the new addition would increase the design output by 2 million gallons per day.

The university further requested permission for the executive secretary to sign the final contract utilizing the board's Standard Agreement between Owner and Engineer, subject to board ratification at the September meeting. This action was requested so that the study could proceed with preliminary results to be incorporated into capital requests this fall.

Steam Tunnel--University Theatre to Hancher Auditorium

The board in April ratified selection of Veenstra and Kimm, Inc., West Des Moines, Iowa, to conduct a feasibility study on an hourly rate basis to a maximum of \$10,750 on replacing the steam line from the Alumni Center to Hancher Auditorium. That study has now been completed and the university now requested permission to negotiate with the same firm for engineering services through working drawings. The Board Office noted that the university has had a project in its Ten-Year Utility Needs to replace this steam line which has a July 1982 cost of \$365,000.

The Board Office recommended approval of this request. The university also requested authorization for the executive secretary to sign the final negotiated contract, subject to ratification by the board in September.

Main Power Plant Boiler Replacement Program--Phase I

In September 1981 the board granted permission to engage Stanley Consultants, Inc., Muscatine, Iowa, to prepare a feasibility study for the conversion of the main power plant to a coal-based facility. The report submitted in March indicated that it is feasible to increase the coal burning capacity of the plant on the existing plant site. The board will consider this report as part of the capital requests.

The university now requested permission to negotiate with Stanley Consultants, Inc., for engineering services to perform all necessary environmental impact analyses, to develop a detailed project program, and to secure the required permits for the design and construction of the initiation of the Main Power Plant Boiler Replacement Program.

The Board Office recommended approval. The university indicated that this phase could take up to 18 months. If any funding is provided from the 1983 Legislative Session, starting the process at this time will enable that replacement program to proceed without unnecessary delays at a later date.

Carver-Hawkeye Arena-- Site Planning

Ratify selection of Crose Gardner Associates, Des Moines, Iowa, to provide final design services on an hourly rate basis to a maximum of \$5,000 plus normal reimbursable expenses. The board in June ratified selection of this firm to provide similar services in six areas for the site around Hawkins Drive. That project budget was \$312,000.

Pharmacy Building--Roof Replacement

Ratify payment of up to \$1,000 additional to Harvey W. Henry Architect, Coralville, Iowa, for services provided during the bidding process on this project. The contract was awarded this month.

The board was also requested to ratify selection of Harvey W. Henry, Coralville, Iowa, to provide contract administration and project quality control on this project on an hourly rate basis to a maximum of \$3,800. The board had previously ratified selection of this firm to provide all design services on this project.

Psychiatric Hospital--Fire Sprinkler Improvements

Ratify an increase in the maximum payable to Shive-Hattery & Associates, Iowa City, Iowa, of \$1,650 based upon additional engineering services requested by the university.

Water Distribution Improvements--New Art Building to Hancher Auditorium Water Line

Ratify selection of Beling Consultants, Inc., Moline, Illinois, to provide contract administration and project quality control during construction

of this project. The fee would be on an hourly rate basis to a maximum of \$17,415. The construction contract was awarded in June.

Kinnick Stadium--Primary Electrical Service

Ratify payment of up to \$3,750 to Shoemaker & Haaland, Coralville, Iowa, for additional services provided on electrical service and duct bank portion of this project.

The board was requested to take appropriate action on the following special matters:

Iowa Memorial Union--Iowa House Guest Room Renovation

The Board Office said the university had presented a project for approval totaling \$427,850. Source of funds would be a loan from Income from Treasurer's Temporary Investments. The university noted that since the construction of the Iowa House in 1965, very little in the way of refurbishment and update has occurred.

The university noted that in order to minimize the impact of this project on the availability of rooms for guest rental, it is necessary to schedule the work over a period of time to take advantage of periods of low occupancy. The university would use a combination of plant forces, union maintenance personnel, and competitive quotations on the entire project. Board approval of this process was requested.

The project is financed by a loan from Income from Treasurer's Temporary Investments. Earnings forecast indicate that the Iowa House revenues will allow repayment of the loan by January 1988 and that the earnings from Iowa House will continue to contribute to the financial stability of the Union thereafter. The Board Office noted that the budget does not include a figure for furnishings at this point. That figure is to be determined later.

The board was also requested to approve a contract for architectural services with Wehner, Nowysz, Pattschull & Pfiffner, Iowa City, Iowa. Services would be provided through contract administration on an hourly rate basis to a maximum of \$41,112. This is approximately 9.6 percent of the estimated budget of \$427,850.

The Board Office recommended approval of the project, method of construction, the preliminary budget, and the architect's contract.

South Pavilion--Phase B

The university requested that the board ratify selection of Hansen Lind Meyer, Iowa City, Iowa, to provide preliminary planning and programming on this project with fees to be on an hourly basis to a maximum of \$24,500.

The Board Office stated that this project is the next phase in the University Hospitals phased capital replacement program. Preliminary estimates indicate that 138,015 gross square feet would be constructed at an estimated cost of \$24 million. The project would require approval to issue hospital revenue bonds by the 1983 Legislative Session. The bonding portion of the project is estimated to be \$20 million.

After completion of South Pavilion--Phase A, the University Hospitals will have 285 non-conforming beds; 148 of those non-conforming beds would be replaced by this project.

The Board Office noted that all of the above is preliminary information. Mr. Colloton has indicated that the project will be presented to the board during the academic seminar in September at the University of Iowa. The reason a preliminary study is requested at this time is to prepare the necessary documentation for presentations to various approval agencies. The matter will be docketed for further board action probably at the October board meeting.

Alumni Center Addition

The board was requested to approve the project and a preliminary budget of \$1,183,180. Source of funds would be the University of Iowa Foundation.

The project, as presented to the board in February, would construct a 4,800 gross square foot addition to the Alumni Center. An additional 900 square feet would now be added to the project to include a basement-level mechanical space. The Board Office reminded the board that there was a discussion of enclosing a patio area. The decision has been made to include that enclosure in the bidding documents as a deduct alternate. The cost is budgeted.

Iowa Hall--Museum of Natural History--Macbride Hall

The board in March granted permission to negotiate a contract for professional design services with General Exhibits & Displays, Inc., Chicago, Illinois. It was noted that the university, in association with the University of Iowa Foundation, proposes to develop a new gallery to be known as "Iowa Hall." This project would be funded by the University of Iowa Foundation from gifts obtained from a private fund-raising campaign.

The university now requested approval of a design contract with Dimensional Communications Division of the Maritz Communications Company, Chicago, Illinois. The agreement provides that Maritz will work jointly with General Exhibits & Displays, Inc., so that continuity between the two firms and the design and fabrication/installation phases will be maintained. The fee would be \$250,000.

The university also requested approval of an agreement to enter into a fabrication/installation with General Exhibits & Displays, Inc., Chicago, Illinois, at a fixed sum of \$1,000,000. This agreement is conditional upon the university deciding to proceed to that phase of the project. That decision will be made when the success of the public fund-raising campaign is known.

Campus Electrical Supply Renovations

The board was requested to approve payment of \$8,750 to Stanley Consultants, Inc., Muscatine, Iowa, for additional services provided on behalf of the university on this project.

Field House and Athletic Office Building Remodeling

The university presented for approval a preliminary budget totaling \$4,669,500 with the source of funds being:

Arena/Recreation Project	\$3,542,000
Capital Bonding Authority	272,000
Income from Treasurer's Temporary Investments and General University Building Repairs	855,500
	<u>\$4,669,500</u>

The Board Office said that when the board approved a revised budget for the revised Hawkeye Sports Arena/Recreation Facilities Project in July 1981, it was noted in that revision that the increase of \$542,000 in the contingency fund would be used for an expansion in the scope of the Field House project. The intent was to expand the project to encompass the move of the physical education offices and programs from Halsey Gymnasium on the east campus to the Field House, to improve physical education/recreation and locker facilities in the Field House to provide additional facilities for women, to permit development of additional recreational space on the east side of the campus in Halsey Gym and North Hall, and to provide additional space for student sports clubs activities.

The capital bonding money is used for the intended purpose of physically handicapped accessibility through construction of an elevator. The funding from Treasurer's Temporary Investments and/or General University Building Repairs finances that portion of the expanded scope as relates to the support of the two academic departments and the reroofing, which in reality is deferred maintenance, according to the Board Office.

The university presented for approval a project summary from the project architect, Bussard/Dikis Associates, Ltd., Des Moines, Iowa, which encompasses architectural and engineering services through the completion of the design development phase. The architectural design would have primary entries remaining on the northeast and southeast corners of the building. On the main level the unneeded north and south spectator seating will be removed and replaced with nearly identical banks of storage, toilets, and handball/ racquetball courts. The main playing floor will be utilized for two basketball courts and five badminton courts. This level also has a control point for the playing area as well as building lounge, mechanical room, training room, and a new access to the second level of the Athletic Office Building. Handicapped access to the pool spectator area will also be provided at the south side of this level.

The 100-level serves primarily as access to the upper pool balcony and handball/raquetball judging platforms to the south. The east end also houses a number of classrooms and offices.

The 200-level accommodates five activity rooms. There will also be the installation of an overhead track and a number of offices, along with separate bio-mechanics, sports psychology, and exercise physiology labs located to the east.

The 300-level floors, which are located only on the south and east side of the Field House, will not be changed as substantially, because that level already has activity rooms and handball courts.

The Board Office said other aspects of the project include remodeling of the former business office in the Athletic Office Building for faculty offices, extensive remodeling of the existing men and women's locker room areas, and a reroofing of the Field House. The pool and North Gym will not be changed in this project.

The university noted earlier that the project had a likely beginning construction date of May or June 1983. The work cannot start until after the arena is occupied and the then current academic year is completed.

The university further requested approval of Modification #1 to the Agreement between Owner and Architect. The board approved the contract with Bussard/Dikis Associates, Ltd., in October 1981 with services to be provided to the bidding stage at a fixed fee of \$210,000. The modification encompasses services through construction and an expanded scope of the project. Originally, the construction budget (not including construction contingencies) was \$3 million. That amount now has been modified to \$4,109,000, including contingencies. The fixed fee was reestablished at \$294,170 for basic services and a reimbursable expense maximum of \$12,000. The agreement also provides that the architect shall retain John Hart Engineering, Des Moines, Iowa, as cost consultant.

The university submitted for approval the selection of the Physical Plant Department as inspection supervisor.

The Board Office recommended approval of all portions of this project.

The board was requested to ratify payment by the university of \$3,080 for additional architectural services provided by Bussard/Dikis Associates, Ltd., and by Terry A. Shuck, Structural Engineers, Inc., (retained as a consultant to the architect for a structural consultation on the roof replacement of the Field House).

Communications Facility

Bids were received on July 7, 1982, on this project intended to construct 47,310 gross square feet or 28,200 net square feet to house the television, radio, film, rhetorical studies, communication research program, and the administrative functions connected therein. This project is the first of two buildings to be constructed to enable programs housed in the Old Armory to be relocated.

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The executive secretary utilizing Form A awarded the following construction contracts:

<u>General:</u>	Story Construction Company, Ames, Iowa	<u>\$2,963,000.00</u>
<u>Mechanical:</u>	Sweeney-Manning-Seivert, Inc., Granger, Iowa	<u>\$ 887,600.00</u>
<u>Electrical:</u>	Sweeney-Manning-Seivert, Inc., Granger, Iowa	<u>\$ 615,800.00</u>

These contract awards total \$4,466,400. The construction budget is \$5,325,000. The university needs to reserve use of these savings until after the bids are taken this fall for the Theatre Addition. The board has mandated that construction costs of these two buildings will not exceed the amount of bond proceeds as sold last month for the University of Iowa. After the university has taken those bids and contracts are awarded for the Theatre Addition, any future savings should be applied to a reduction in either the equipment needs for those two buildings or to future fire safety deficiency corrections. In either case, the capital asking for the 1983-85 biennium would reflect such savings. The university should not use the savings, except upon express approval of the board, to expand in any way the scope of either the Theatre Addition or the Communications Facility projects beyond the scope originally requested.

Regent Murphy asked if the Regents had specific guidelines about the use of money if there was anything left over, or if each project was handled on an individual basis. Mr. Richey explained that when the board approves a project it approves a description and the scope of the project. As long as the bids are within the scope of the budget, the Board Office can approve them within the guidelines. If there is a saving, the Board Office will watch change orders to see that they do not change the scope of the project without board approval. If the amount is worthwhile, it may be saved for another project, such as those mentioned above (fire safety corrections and movable equipment).

The board was requested to approve selection of Shive-Hattery and Associates, Iowa City, Iowa, to perform project administration, observation, and quality control services for this project. This is another way of saying that the firm will provide contract administration, because the task exceeds the time available to staff at the Physical Plant. Compensation would be on an hourly rate basis to a maximum of \$274,000, of which \$7,500 is intended for reimbursables. This fee amounts to approximately 4 percent of the budget construction cost for the project.

Mr. McMurray said there had been seven additional detailed architects' and engineers' contracts submitted to the board for approval with execution by the executive secretary. He had reviewed these contracts. The amounts were in order, and he would continue to review them as to form. The Board Office would contact the institution regarding anything objectionable in any of those contracts.

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MOTION:

Mrs. Anderson moved that the board approve the Register of Capital Improvement Business transactions for July 1982; ratify award of construction contracts made by the executive secretary; direct the president of the board and the executive secretary to execute the contract with Communications Division of the Maritz Communications Company, Chicago, Illinois, for the board; approve the contract change orders; approve the life-cycle analysis report; approve the new projects; approve the use of Physical Plant labor as shown; ratify and approve consultant contract matters; and authorize the executive secretary to sign all necessary documents. Mrs. Murphy seconded the motion and it passed unanimously.

JOHN F. MURRAY ENDOWMENT FUND. It was reported that there was no activity in the John F. Murray Endowment Fund for the year ending June 30, 1982.

The report on the John F. Murray Endowment fund was accepted by general consent of the board.

EASEMENT REQUEST FROM CITY OF IOWA CITY, IOWA, FOR RIGHT-OF-WAY. It was recommended that the board approve granting an easement to the city of Iowa City, Iowa, for right-of-way for the purpose of constructing a street and other city-owned utilities and the repair, maintenance, and reconstruction of the street and utilities.

The Board Office said the city of Iowa City plans to realign the west intersection of Newton Road in Iowa City with Highways 6/218 due to the widening of those two highways under the West Campus Roadway project and needs additional right-of-way to accomplish this project. Consideration is the benefit which inures to the University of Iowa and the state by reason of the street improvements which will improve the movement of traffic through and around the university's west campus.

The easement is in standard form. The Board Office noted that the liability clause is somewhat different than usual, but the differences benefit the grantor, so it is in substantial compliance with the board's intent on such liability clauses. No cost of the facilities to be constructed within this easement shall be assessed or charged to the state of Iowa. It is noted in the liability clause that the grantee retains its right to assess adjacent property owners for any reconstruction of this street. This easement must be approved by the State Executive Council.

Vice President Bezanson commented that Newton Road will be closed off in the course of this construction, and this easement will provide needed access.

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MOTION:

Mr. McDonald moved that the board approve granting an easement to the city of Iowa City, Iowa, for right-of-way for the purpose of constructing a street and other city-owned utilities and the repair, maintenance, and reconstruction of the street and utilities. Mr. Neu seconded the motion. Upon the roll being called, the following voted:

AYE: Anderson, Harris, Jorgensen,
McDonald, Murphy, Neu, Nolting,
Wenstrand, Brownlee

NAY: None

ABSENT: None

DENTAL SCIENCE BUILDING--LITIGATION SETTLEMENT. It was recommended that the board approve the settlement of all outstanding litigation pertaining to the construction of the Dental Science Building.

The terms of the settlement were outlined as follows:

1. The University of Iowa will receive \$315,000 in full settlement of its claims against Hawkins & Korshoj (a joint venture), Cassabaum Corporation (successor to C.P. Rohde, Inc.), and their bonding companies.
2. The Board of Regents will seek, together with all the other parties, dismissal with prejudice of all outstanding litigation between the Board of Regents and all such parties.
3. The university will pay to Cassabaum Corporation the sum of \$20,000, which sum is owed to Cassabaum Corporation as a result of a settlement entered into by the Board of Regents in 1977, plus 7 percent simple interest accrued on \$20,000 since September 16, 1977, a total of \$26,819.73.

The university explained that the settlement as outlined above is recommended to the board by the university and also by Shuttleworth & Ingersoll and Arthur O. Leff, acting as Special Assistant Attorneys General for the board. The litigation was an outgrowth of the numerous problems encountered by the contractors and the university during construction of the Dental Science Building and the water leakage problems discovered by the university after the building was completed. It was the judgment of the university and of the Special Assistant Attorneys General that the settlement is reasonable.

Trial of this litigation was to commence July 6, but trial was postponed pending the board's decision whether to approve the settlement.

Acting Associate Vice President Mahon said this was the culmination of a long series of litigation dating from the time the building was constructed. It was the unanimous decision of the university and its

legal counsel to propose this settlement. It was designed to settle all outstanding claims of all kinds on this issue. In answer to a question from President Brownlee, Ms. Mahon said the amount owed by the Board of Regents to the Cassabaum Corporation would be offset against the sum owed to the Regents.

President Brownlee asked the university whether, if the board approved the settlement, it would get the money. Ms. Mahon said the money was there. In answer to questions from Regent Neu, Ms. Mahon said the net settlement of approximately \$290,000 was exclusive of legal fees. The attorneys' fees for all litigation connected with the Dental Science Building totaled about \$45,000.

MOTION:

Dr. Harris moved that the board approve the settlement of all outstanding litigation pertaining to the construction of the Dental Science Building with the terms as outlined above. Mr. McDonald seconded the motion and it passed unanimously.

President Brownlee said this was the last meeting that Acting Academic Vice President Kenneth Moll would attend in this capacity although he hoped Dr. Moll would attend many more meetings of the board. He thanked Dr. Moll on behalf of the board for his distinguished service. He said it had been pleasant to work with him. Dr. Moll thanked President Brownlee and said he had enjoyed working for the board.

President Brownlee then asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to the State University of Iowa. There were none.

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, July 21, 1982.

President Brownlee announced that President Parks had asked to be excused from this meeting as he had to be out of state. Vice President Moore was also excused from this meeting.

Before taking up the usual items of business, Vice President Christensen introduced two new officers of the Government of the Student Body: Anthony J. Williams, President, and Hallie E. Still, Vice President. He told the board they would probably be seeing more of these young people during the year ahead.

REGISTER OF PERSONNEL CHANGES. The actions in the Register of Personnel Changes for June 1982 were ratified by general consent of the board.

OTHER PERSONNEL TRANSACTIONS. The board was requested to approve the following appointments:

John R. Clem as Professor and Chair of the Department of Physics effective July 1, 1982, through June 30, 1985. Salary - \$52,510.

Harold J. Stockdale as Professor and Chair of the Department of Entomology, effective August 1, 1982, through June 30, 1987. Salary - \$44,000.

The board was requested to approve the following reappointment:

Arthur E. Bergles as Professor and Chair, Department of Mechanical Engineering, for the period of July 1, 1982, through December 31, 1982. Salary - \$60,400.

Vice President Christensen explained that the university was requesting the approval of the reappointment of Dr. Bergles for six months in order to provide time to find a replacement.

MOTION:

Mr. Wenstrand moved that the board approve the appointments of Dr. Clem and Dr. Stockdale and the reappointment of Dr. Bergles. Mr. Neu seconded the motion and it passed unanimously.

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DEPARTMENTAL NAME CHANGE. It was recommended that the proposed name change be referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The Board Office said Iowa State University is recommending that the name of the Department of Industrial Education be changed to the Department of Industrial Education and Technology. The university reported that the new name would be more representative of the range of career option programs available in the department, and that the change has been recommended by students, employers, and faculty members. The university predicts that the change in name will have positive effects on enrollment, retention, and placement of graduates. No budgetary implications were noted, and the Board Office assumed there are none.

The proposed change in name of the Department of Industrial Education to the Department of Industrial Education and Technology was referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation by general consent of the board.

WOI-TV PERSONNEL POLICY EXEMPTIONS. It was recommended that the board approve exemption of selected key WOI-TV positions from the Iowa State University Personnel Policies and Procedures, not including classification and pay plans, for Professional and Scientific Personnel.

The Board Office explained that in February 1980 the board approved personnel policies and procedures that were recommended by Iowa State University for its professional and scientific staff. Those policies included provisions concerning appointments, dismissal procedures, and grievances. All professional and scientific staff members are covered by the policies and procedures except those whose administrative policy-making or other responsibilities made it inappropriate for them to be granted regular appointments and related rights under the policies. Twenty-eight titles in the professional and scientific pay plan were designated by ISU and accepted by the board as exempt from the personnel policies and procedures. The university noted that individuals in those key positions would serve at the pleasure of the administration.

In order to establish employment relationships that are competitive with new practices in the field of commercial television and help attract and retain qualified on-the-air talent and key off-camera personnel, WOI requested that eight (out of 85) positions be exempted from the university's professional personnel policies and classification and pay plan. In discussions with university administrators, the Board Office and the university determined that exemption from the personnel policies would enable WOI to initiate the practices it proposed. Exemption from the professional and scientific classification and pay plan is not necessary.

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Regular appointments under the ISU policies imply a commitment by the university to continuous employment. WOI proposes in lieu thereof to establish employment conditions for incumbents in exempted positions in a letter of agreement. The agreement specifies that it can be terminated by either party at the end of two years (with 60 days prior notice). Should an incumbent elected to terminate the agreement before the end of two years, 60 days notice may be required for termination without penalty. In addition, the incumbent agrees to notify any prospective employer that he or she is under a written agreement with WOI-TV.

The Board Office said it recognized the unique needs of WOI-TV and recommended exemption of eight specified positions from the ISU professional personnel policies.

Assistant Vice President Madden commented that this policy would reflect the fact that WOI-TV is not only a department of the university but part of the outside world.

MOTION:

Dr. Harris moved that the board approve exemption of the following WOI-TV positions from the Iowa State University Personnel Policies and Procedures, not including classification and pay plans, for Professional and Scientific Personnel: 1) News Director; 2) Assignment Editor; 3) Principal Anchors (2); 4) Chief Meteorologist; 5) Sports Director; 6) Senior Producer; and 7) Senior Reporter. Mr. Nolting seconded the motion and it passed unanimously.

ANNUAL REPORT OF WOI-AM-FM COMMUNITY ADVISORY COUNCIL. It was recommended that the board receive the annual report of the WOI-AM-FM Advisory Council.

The Board Office said that WOI-AM-FM Community Advisory Council had provided its annual report, including a resolution adopted in compliance with the requirements of the Public Telecommunication Financing Act of 1978 (Public Law 95-567). Similar reports had been received from the University of Iowa and the University of Northern Iowa in April 1982. As noted in materials presented to the board in April, amendments to the Public Telecommunication Financing Act may exempt stations such as those operated at the Regent universities from the requirement of establishing a community advisory board. However, the Board of Regents requested that each station submit an annual report, which may include an advisory council report, beginning in December 1983.

The report submitted by the WOI-AM-FM Community Advisory Council included a membership list and a copy of the resolution of May 18, 1982, stating that, ". . . the programming and other policies of WOI-AM-FM are meeting the specialized educational and cultural needs of the communities served by the station". Minutes of the May meeting report on the advisory council's

discussion, including comments regarding the needs for continuation of the council, were submitted. Reports were presented on News and Public Affairs and on Arts and Performance Programs. Complete copies of these documents are on file in the Board Office.

The Board Office noted that additional information concerning WOI-AM-FM, prepared in response to a request from the comptroller's office, was presented to the board in April 1982.

The annual report of the WOI-AM-FM
Community Advisory Council was received
by general consent of the board.

CRESTON AREA EXTENSION OFFICE LEASE (RENEWAL). It was recommended that the board approve the renewal of the lease for the Creston Area Extension Office.

The Board Office reported that the Creston Area Extension Office has leased the subject space since 1967. The space and related facilities meet the needs of the extension office, with advantages generally considered to outweigh the disadvantages.

The director has looked for other space in the Creston area and has not found space available which he considered of comparable value or better. During the first 15 years (1967-82) of this landlord-tenant arrangement the rents were increased by 52 percent. For the next three-year term, the increase from \$2.93 to \$4.80 per square foot per year represents a 64 percent increase. The university considers this increase reasonable in that the landlord had not kept pace with inflation as had other landlords in the area. This increase represents a catch up that is justified based upon a market survey of rents conducted by the director.

MOTION:

Mr. McDonald moved that the board approve the renewal of the lease with C.D. and Melba Wood for the use of 2,304 square feet of space at 501 West Taylor, Creston, Iowa, at a cost of \$4.80 per square foot per year (\$11,059.20 annual) for a period of three years, commencing September 30, 1982. All other terms and conditions of the existing lease remain the same. Dr. Harris seconded the motion. Upon the roll being called, the following voted:

AYE: Anderson, Harris, Jorgensen,
McDonald, Murphy, Neu, Nolting,
Wenstrand, Brownlee

NAY: None

ABSENT: None

LEASE AGREEMENT WITH THE CITY OF AMES: TRANSIT SYSTEM BUS MAINTENANCE AND STORAGE FACILITY. It was recommended that the board approve the lease agreement between Iowa State University and the city of Ames for a 3.19 acre tract of land, more or less, for the construction by the Ames Transit Agency of a bus maintenance and storage facility, subject to further negotiations and satisfactory resolution of the concerns raised herein with ultimate execution by the executive secretary following resolution of the concerns.

The Board Office reported that the Ames Transit Agency has just completed its first full year of operation. Of the 1981-82 budget of \$907,000, approximately half, \$450,000, comes from the university: \$100,000 from the university's general fund and \$350,000 from student activity fees.

The Ames Transit Agency had approached the university to see if a bus garage facility could be located on university land. This action followed receipt of an environmental assessment report required by the Iowa Department of Transportation which indicated that the university site would be the most cost-effective for location of a bus garage. The university noted that the operating costs of the transit agency would be approximately \$45,300 per year lower in that location than they would otherwise be by location of the facility on any other site.

The Ames Transit Agency planned to file an application for federal funds for the construction of this facility. This application needed to be processed by the end of July 1982. One of the requirements of the grant application is that the agency has already secured a location for the proposed bus maintenance and storage facility.

The university presented for board approval a lease agreement for approximately 3.19 acres on which would be constructed a building estimated to be 67,000 square feet.

The major investigation conducted by the university during these discussions was whether the proposed site for the project would unduly interfere with future expansion of the Physical Plant complex. The university reported that its future Physical Plant complex needs will be primarily in the area of additional cooling towers, and that there is adequate space for the university to accommodate those cooling tower needs for the indefinite future.

The Board Office noted that lease of space by Iowa State University to the city of Ames has long traditions, as part of Iowa State University's community betterment program. Most of the city parks in Ames are under lease between the university and the Park Commission with annual rentals of \$1.00 and with leases running through 1990. In addition, the university has a lease directly with the city of Ames for a 7.05 acre parcel located on the southeast corner of the university dairy farm where the city constructed an ice arena. Many of the terms of the proposed lease appear to be patterned from the 1978 Ice Arena lease, according to the Board Office.

The terms of the lease agreement proposed to the board by the university for approval included the following provisions:

1. The term of the lease is 99 years.
2. There would be no direct monetary payment to the university for the lease of the land. Item #9 (below) does note that the value of ISU's contribution of the land lease shall receive an appropriate recognition in any future discussions, reports, or presentations pertaining to the operation or termination of the Ames Transit Agency. The same clause, however, goes on to state, "It is also understood and agreed that the value of this lease shall not constitute a contribution to the budget for transit services . . ." The Board Office suggested that the university expand on its understanding of "appropriate recognition."
3. The university would give specific approval on the plans for the building, site development, and landscaping.
4. Use of the facility would be limited to the transit agency, or, as stated in Section 4, for some use other than and in addition to maintenance and storage of transit vehicles mutually agreed upon between the university and the transit agency so long as such use is reasonably related to the maintenance and storage of transit vehicles and does not unreasonably impede or interfere with the maintenance and storage of transit vehicles.
5. The university would have the first right of acquisition of the facility should it cease to be used for transportation purposes.
6. The storage of transit vehicles or parts of transit vehicles outside of the building would not be permitted.
7. The university would be willing to provide services, such as heating, cooling, electricity, water, snow removal, grounds care, and garbage removal to the transit agency on the same fee basis as charged to other users, such as the Iowa State Memorial Union, the residence hall system, and the Ames Laboratory.
8. The state and the board would be relieved of any liability associated with the construction or operation on the site.
9. The university is given the option of having the facility moved to another location at a future date, at the university's expense, if the land was needed for other purposes.

Board Office review of the lease revealed several concerns. First, as mentioned above (item 2), it felt it would be helpful for the record to show the university's interpretation of "appropriate recognition" of the contribution of the land lease or for the lease itself to further define this term.

In response, Assistant Vice President Madden said that this proposed lease can be viewed a little differently than some others: the university and students are really party to the transit agency. He noted that the agreement specifies that if the agency is ever disbanded, the contribution of each party will be recognized in the assets of the agency. The university's contribution of land would increase the university's portion of the agency's assets. This contribution is not part of the agency's ongoing operating costs but would be recognized if the agency dissolved.

Second, the lease agreement provides in section 14 that all claims, disputes, and other matters in question between the parties to the lease agreement shall be decided by arbitration, unless the parties mutually agree otherwise. The Board Office noted that other leases do not contain similar requirements nor do Board of Regents construction contracts call for settlement through binding arbitration. The Board Office asked the university to discuss why it felt this was an advantageous means in which to settle any and all questions relative to the lease.

Vice President Madden said the city attorney and Reid Crawford had worked with the city and felt that in this case arbitration is a proper way of solving problems. In answer to a question from Regent Wenstrand, Mr. Madden said there are areas of interpretation in any agreement. In such a long lease, those who made the agreement will probably not be around to settle problems. The university and the city have a good and cooperative relationship and would not want to go to court to settle a difference; that is why arbitration was suggested. Mr. Richey said the objection to arbitration was that it would take matters away from the board and put them in the hands of a third party. Matters of dispute could always be referred to an arbitrator later if the board and transit agency agreed. Vice President Madden said the university would have no objection to changing this item of the lease if it could be done within the time limitations.

Third, the university noted that the proposed extension of Elwood Drive would cause 6th Street to be terminated on the west side of the extension. The Elwood Drive extension project is funded from State Parks and Institutional Road funds. The university noted that the bus facility would probably have access to Elwood Drive. The Board Office strongly urged Iowa State University to investigate whether the cost of that access should be shared by the transit agency. The Board of Regents should have no obligation to provide access to the site over and beyond what is already provided under existing roadways.

According to Assistant Vice President Madden, the university has no commitment or responsibility to provide access. If the city or the Transit Agency want access, it would be their responsibility to bear the cost of providing it. In answer to a question from Regent McDonald, Mr. Madden said there is no financial obligation to the university other than that it is part of the agency. Mr. Richey said the Board Office felt that the fact that the transit agency would not have access should be clearly stated in the lease, particularly in view of the fact that the city and state are involved in financing.

Fourth, the Board Office believed the term of the lease to be too long. While this is the same time span as the lease for the ice arena, the more recent lease with Sundstrand Corporation provides for a 25-year term with an option to renew for 25 years. The Board Office considered it very unlikely that any building put on this site would last for 99 years. Further, the depreciation schedule on which certain matters are keyed would probably not run 99 years or else be unrealistic. The Board Office suggested that the term of the lease be patterned more closely to the Sundstrand lease.

Assistant Vice President Madden said the term of the lease was set at 99 years to meet federal requirements. The government usually requires title to the land; the university did not feel that would be appropriate but did agree to the 99-year lease. Regent McDonald commented that a 99-year lease was about the same as giving a deed. Mr. Madden said, as he understood it, the federal government requires that the lease be as long or longer than the life of the building. He agreed that the building probably won't last 99 years. What will happen then will have to be worked out at that time. Because the university is party to the operation of the agency, it was felt that this was a responsible arrangement. Mr. Richey said the Board Office believed the lease to be at least twice as long as it should be.

Fifth, while the lease currently gives the university first right of acquisition of the facility should it cease to be used for transportation purposes, the Board Office believed the lease should provide that upon expiration of the lease the building, structures, or improvements on state land should at the discretion of the state revert to the state or be removed at no cost to the state. Since the lease itself is of no cost to the lessee, the payment of appreciated value for the buildings under the current terms of the lease appears to disadvantage the state.

Mr. Madden said the university's right of first refusal would involve using the lower of two appraisals for the value of the building. However, depreciation is recognized; the right of first refusal might not involve payment of any money because there might be no value. The university felt this condition was responsible considering the nature of the cooperative arrangement between city and university. Mr. Richey said the Board Office's fear was that the university would find that it had to buy something it didn't want to get its own land back. Mr. Madden said the university interpreted the agreement to mean that if the land is to be used for any other purpose than originally planned, it is the obligation of the transit agency to restore the land to its original condition.

Sixth, Section 11 provides that if the state's needs for the property cannot be met without relocation or reconstruction of a building or other improvement made to the leased premises, the state would pay the reasonable and proper costs of such relocation and reconstruction, less depreciation. The Board Office felt that this clause should be in effect for only a set term, i.e., 20 years. After that time, use of the land could be at the option of the lessor with proper notice of cancellation of the lease and such relocation and reconstruction costs would be at no cost to the state.

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Vice President Madden said the university thought it needed some language in the lease to cover this contingency although it could not think of any reason why this situation would occur. Mr. Richey reiterated that the Board Office felt the full term of the lease, whether 99 or 50 years, was too long to encumber the state.

The Board Office also recommended that the university docket at an early date a further progress report on the operations of the Ames Transit Agency. The state of Iowa and students at Iowa State University have a substantial investment in the operation of that agency. The only complete report on the agency came to the board in April 1981. Such reports should come to the board no less than annually as long as university funding makes up a substantial part of the operating budget for the agency.

Vice President Madden said the budget would be submitted to the board. He thought it should be considered when student fees are discussed this fall (the present level of support is \$14.00 annually per student). The budget proposed for next year is \$125,000, half of which is from the university and student support.

The Board Office stated that its recommendation to approve the lease was conditional upon satisfactory resolution of the concerns noted above. Further negotiation with the transit agency might be necessary. The Board Office recognized the time pressure the agency is under to get a federal grant application processed and suggested that should these negotiations continue past the board meeting, the board authorize the executive secretary to execute the lease on its behalf pending satisfactory resolution of these concerns.

Regent Wenstrand referred to the Board Office memorandum, which said that this site would save the transit agency \$43,500 per year. He asked if this was due to the price of the site. Mr. Madden said some other sites considered were owned by the city and would have involved no rental or purchase price. The savings result from housing buses in the center of the city. The detailed analysis of the sites determined that this was the most cost effective and was from environmental standards very effective.

President Brownlee said that, aside from the obvious merit of the project, it was unfortunate that the board was put in the position of not having enough time to study it. He noted that the proposed lease had been signed by the city on June 6, 1982, and was not presented to the board until July 21, 1982. Mr. Brownlee said that any dealings with state property were difficult for the board, and perhaps it was looking at this more closely than it otherwise would because of the deadline. Mr. Richey said possibly a new document could be developed quickly and a special meeting of the Ames City Council held to consider it.

Regent McDonald said that since it doesn't seem reasonable to build for more than 40 years, the Board Office suggestion of a 50-year lease seemed a good one. He agreed with the Board Office concerns on the other matters also.

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Regent Neu suggested that several of the concerns expressed by the Board Office could be handled by a letter agreement with the city of Ames. He noted that, while resolution of the concerns in the board's favor should not be a requirement of entering the lease, he expected more time in the future to review such a lease. He hoped the university would be more reticent in the future about a lease of this length.

Regent Anderson expressed concern about the first right of refusal. She noted that the university should not have to purchase a building it does not want and should not have to pay to have its land restored to its original condition. As the lease is presently worded it appears that the university would have to pay something for the building if it were in use at the end of the lease, according to Mr. Madden.

Regent McDonald asked if anything could be done to shorten the term of the lease. Mr. Madden introduced Bob Bourne, Transit Director of the city of Ames. Mr. Bourne acknowledged Regent McDonald's comment that a 99-year lease was like giving a deed. He said the federal government very seldom funds buildings without ownership of the land, and 99 years is the standard, regulation length of time for such a lease. In answer to a question from Regent McDonald, Mr. Bourne said the city had asked for a shorter term and had been told this was not possible. It could not be less if the transit agency wished to receive the federal funds.

Vice President Madden suggested that a memorandum of understanding could be executed by the parties which would clarify the items of concern to the board. Regent Neu indicated that this would resolve the items of the lease that appeared to be ambiguous. Regent Harris suggested that the best approach was to rewrite the lease incorporating changes desired by the board. It was noted that the July 30 deadline for application of federal funds did not permit this. Mr. Madden said this was the last time this type of money would be available. It would be unfortunate if the community felt that the Regents had not cooperated and in so doing lost this money for the community. However, he said if the board felt the only alternative was a new lease, the university would certainly do it.

President Brownlee stated that many concerns had been expressed. The university had given assurance that it would do the best it could to correct these concerns in a memorandum of understanding. He suggested that the board could move the recommended action, omitting the objection to the 99-year lease, but with the condition that the university would try to resolve the other objections raised.

President Brownlee said the board could authorize the executive secretary to enter into a lease with the terms that meet the concerns expressed. If that cannot be done, the university and the Board Office should follow the course of action pursuant to developing a memorandum of understanding. He said he would hate to see the university put in a position of not having this lease, much as he deplored the way the board was having to go at this. He asked for a resolution or motion to the effect that, if possible, the university adopt a new lease that meets all the Board of Regents' objections, or as many as possible. Failing that, the university and Board Office should work with the transit agency to develop a memorandum of understanding.

Vice President Madden said the only area in which the university might not be able to accommodate the board's wishes was that of the term of the lease. Regent Neu said the board would understand that if the regulations require a 99-year lease, this cannot be changed. Regent McDonald said he appreciated the university's problem and would vote a reluctant yes. Regent Anderson said she also understood that the matter of arbitration could not be changed by the memorandum of understanding but would require a new lease.

MOTION:

Mr. Nolting moved that the board approve the lease agreement between Iowa State University and the city of Ames for a 3.19 acre tract of land, more or less, for the construction by the Ames Transit Agency of a bus maintenance and storage facility, subject to the negotiation of a new lease or memorandum of understanding pursuant to the concerns of the board; that the board direct the Board Office and Iowa State University to negotiate with the Ames Transit Agency to accomplish this; and that the board authorize the executive secretary to execute the new document formulated following resolution of the concerns. Mr. Neu seconded the motion. Upon the roll being called, the following voted:

AYE: Anderson, Harris, Jorgensen,
McDonald, Murphy, Neu, Nolting,
Wenstrand, Brownlee

NAY: None

ABSENT: None

SECRETARY'S NOTE: The lease was renegotiated by the city of Ames, the university, the Ames Transit Agency, and the Government of the Student Body on July 22, 1982. The items recommended for change by the board were considered, and decisions on each were made as follows:

1. Appropriate Recognition of Lease Contribution. The value of the lease will not become an asset of the Ames Transit Authority subject to distribution upon dissolution to the parties (ISU, ISU Government of the Student Body, and City of Ames) who capitalized the authority. Before distribution of assets the value of the leased land would be returned to Iowa State University.
2. Arbitration. The arbitration clause in the agreement presented to the board on July 21, 1982, was deleted.
3. Access to Leased Site. The city of Ames will be responsible for providing access to the site and no charges will be made to the state for providing such access.
4. Term of Lease (99 years). The lease remains at 99 years. The independent investigations of the university and the Board Office yielded the result that the Urban Mass Transit Agency (federal) would not consider the lease at this time unless the term was 99 years.

5. Reversion of Structure/Restoration of Site at Lease Termination. The desire either to have, upon early termination of the lease, the building revert to the university without payment by the university of some consideration or the university be able to compel destruction of the building and restoration of the site to university specifications is inconsistent with the obligations assumed by the city under the grant application. According to the city, the Urban Mass Transit Agency requires that the city repay to the agency 80 percent of the appraised value of the building at any time the building is no longer used for the purpose approved in the grant, regardless of the depreciation schedule value of the building. In like manner, the city acknowledged that the board did not wish to obligate itself at some time in the future to pay for a building which it either did not need/want or could not afford. Hence, in recognition of each party's concerns, the agreement states that the city cannot dispose of the building until the parties have a mutual agreement for such disposition.
6. Right of Cancellation. A right to cancel the lease and require the city to remove the structure at the city's cost is inconsistent with the incidences of ownership required by the Urban Mass Transit Agency. Hence, no change in the lease was made.

The Ames City Council met on July 27, 1982, and approved the new lease, the approval of which had been authorized by the board at its meeting on July 21, 1982. A copy of the new lease is included in these minutes (see next pages).

LEASE AGREEMENT
ISU TO CITY OF AMES
(Bus Maintenance and Storage Facility)

THIS LEASE AGREEMENT, made and entered into this 21st day of JULY, 1982, by and between the STATE OF IOWA, (hereinafter called Lessor) acting through and pursuant to the power and authority vested by law in the STATE BOARD OF REGENTS with respect to the land and grounds devoted to IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY (ISU), and THE CITY OF AMES, IOWA, (hereinafter called Lessee) a municipal corporation organized and existing pursuant to the laws of the State of Iowa,

WITNESSETH THAT:

WHEREAS, Lessee is engaged in the operation, management, governance and control of a city transit system through an administrative agency of the city known as the Ames Transit Agency funded pursuant to an agreement between the City, ISU and the ISU Government of the Student Body; and,

WHEREAS, it is now deemed necessary that in connection with the aforesaid transit system a site be acquired and provided for the construction of a transit vehicle maintenance and storage facility; and,

WHEREAS, Lessor desires to aid and assist with regard to the said transit vehicle maintenance and storage facility in view of the many benefits such a facility will afford to Iowa State University, its students, staff, faculty and programs;

NOW, THEREFORE, in consideration of the premises, the parties hereto have agreed and do hereby agree that the Lessor will lease to Lessee, and the Lessee will lease from the Lessor, all of that land located in the City of Ames, Story County, Iowa, described as:

(See EXHIBIT A, attached hereto, which is herein incorporated by reference)

all as shown on a survey and plat attached hereto and by this reference incorporated herein and made a part hereof as if fully set out, the Lessee to have and to hold said land without disturbance in accordance with the following terms and conditions of this lease, to wit:

1. Term of Lease. The term of this lease shall be ninety-nine years, commencing on the first day of August, 1982, and ending at midnight on the 31st day of July, 2081, unless earlier terminated by operation of provisions of this agreement as set out below.

2. Rental. There shall be no money payments made, due or owing under this lease. The full, complete, and satisfactory consideration for this lease shall be and is the promise of the Lessee, herein and hereby made, to seek and administer a grant of funds through the Urban

Mass Transit Administration of the United States Department of Transportation for the design and construction of a transit vehicle maintenance and storage facility on the leased premises; and, to operate and maintain said facility in connection with a city transit service in accordance with such grant agreement and reasonable policies as the duly constituted authority or agency of the city of Ames shall establish and promulgate, in consultation with properly empowered representatives of Iowa State University.

3. Destruction of Building. In the event that the building to be constructed on the land hereby leased shall be wholly or partially destroyed or damaged by wind, fire, flood or other occurrence to the extent that Lessee cannot perform the promise contained in paragraph 2 above, the lease shall terminate and the land revert to the possession of the Lessor if the Lessee does not commence making repairs or rebuilding within one year from said occurrence. The Lessor may, upon request of Lessee, grant additional time and such request shall not be unreasonably denied.

4. Failure of Purpose; Reversion; Termination; Sale. In the event that Lessee fails or is unable for any reason other than that specified in paragraph 3 above, to devote the leased premises to the use specified in paragraph 2 above, for any unreasonably long period of time, but not less than one year, this lease shall terminate and the land revert to the possession of the Lessor; provided however, that there shall be no such reversion of possession until agreement has been reached between the parties hereto on the disposition of any building or improvements on the leased premises.

It is expressly understood and agreed by the parties hereto that the Lessee shall be the owner of and shall retain title to all structures, buildings and other improvements placed upon said leased premises by the Lessee (subject to the interest of UMTA) and the Lessee shall have and retain the right to remove, sell or otherwise dispose of all or any part thereof, from time to time, as it deems necessary or prudent.

However, in the event that the Lessee offers all or any part or portion of said building, structures or improvements for sale, two independent appraisers, neither of whom shall be the county or city assessor, shall be hired to establish a fair market sale price, and the Lessee shall give notice of the lower of the two appraisals thereof to the Lessor and the Lessor shall then have the right to purchase whatever is being offered for sale at the price established as aforesaid, this provision being what the parties hereto intend and understand by the expression "right of first refusal".

If, during the term of this lease, the buildings and structures being used for a transit vehicle maintenance and storage building are replaced by another building or structure used for the same purpose, all terms, provisions, and conditions of this lease shall apply to any such replacement building or structure as apply to the first such building or structure to be placed or constructed on the leased premises.

Furthermore, it is expressly understood and agreed between the parties hereto that upon mutual agreement some use other than and in addition to maintenance and storage of transit vehicles may be made of the leased premises and buildings thereon by the Lessor and Lessee at no additional cost, so long as such use is reasonably related to the maintenance and storage of transit vehicles, and does not unreasonably impede or interfere with the maintenance and storage of transit vehicles thereon.

In the event a building is erected on the leased premises and later sold for removal or otherwise removed by the Lessee, the site shall be restored, after the building's removal, to a grade and condition mutually agreeable to Lessor and Lessee.

5. Construction Period. The provisions of paragraph 4, above, regarding reversion to Lessor, shall not become operable until three years following the date of execution of this agreement by both the Lessee and Lessor. In the event, however, that construction of the contemplated building upon the leased premises has not begun by the end of the three year period, this lease shall terminate, provisions of paragraph 4 above notwithstanding.

6. Plan Approval. Plans for building, site development and landscaping must be submitted to the Lessor for its consideration and approval. These plans must be submitted prior to the construction of any building on the leased premises; and, during the course of the lease, for any site or building modifications.

7. Outdoor Activity. The storage of transit vehicles or parts of transit vehicles outside of a building will not be permitted on the leased premises.

8. Utility and Other Services. Services such as heating, cooling, electricity, water, snow removal, grounds care, and garbage removal may be provided by Lessor if Lessee requests and if Lessor has the capacity to provide the service requested. Rates to be charged by Lessor for any of such services will be the same as is charged to other users, e.g., Iowa State Memorial Union, the Residence Hall System, and the Ames Laboratory. Should the lessee determine that access to the proposed Elwood Drive extension or any other institutional road is desired, subject to the lessor's approval of such plans, no financial obligation associated with the construction or maintenance of such access shall be borne by the lessor.

9. Lease Valuable. The value of ISU's contribution of the land leased hereunder shall receive an appropriate recognition in any future discussions, reports or presentations pertaining to the operation or termination of the Ames Transit Agency and transit services in the City of Ames. However, it is also understood and agreed that the value of this lease shall not constitute a contribution to the Budget for Transit Services under paragraph 2 of Agreement for Joint Action in Support of Transit Services in the City of Ames to which Lessor and Lessee are parties. Notwithstanding the provisions of Section 6, An Agreement for Joint Action in Support of Transit Services in the City of Ames entered into July 1, 1981, the value of the land leased under this agreement shall be excluded from the assets to be disposed of and distributed on termination of the Ames Transit Agency.

10. Liability, Indemnification. The Lessee agrees to indemnify and hold harmless the Lessor, its officers and employees, students and guests from and against all claims, damages, losses and expenses arising from or attributable to the negligent or intentional torts of the Lessee which pertain to Lessee's use of the leased premises, and including claims, damages, losses and expenses of third parties which are caused by any negligent or intentional tort, breach of contract, or breach of warranty by Lessee, its officers, agents, servants and employees.

11. Reservation of Rights. Lessor reserves to itself and to Iowa State University the right to transit the leased property with and to install and to maintain any and all utility cables or pipelines, whether above ground or underground, to accommodate the supply of utilities or other services to property owned or controlled by Lessor, said installation and maintenance to be conducted in a manner reasonably calculated to minimize interference with activities of Lessee on the property.

Furthermore, Lessor reserves the right, upon consultation with properly authorized officials of the Lessee, to enter and cross the leased property with a road, or widening of a road, or other right-of-way, to gain access to other property owned or controlled by Lessor.

Provided, however, that in the exercise of any of the foregoing rights, such road or right-of-way shall be placed and maintained in a manner reasonably calculated to minimize interference with activities of Lessee on the property. Should it reasonably be determined that the Lessor's needs on the property cannot be met without relocation or reconstruction of a building, structure, or other improvement made to the leased premises, Lessor shall pay the reasonable and proper costs of such relocation and reconstruction, less depreciation.

12. Subletting, Assignment. There shall be no assignment of the lease, or subletting of the premises without the express written consent of the Lessor.

13. Notice. In all matters pertaining hereto notice to the Lessee shall be accomplished by delivery in writing to the office of the City Clerk, City Manager or City Attorney for the City of Ames. Notice to Lessor shall be accomplished by delivery in writing to the Office of the Vice President for Business and Finance at Iowa State University.

Neither party shall be deemed or declared in default, breach or violation of this agreement without written notice and reasonable opportunity to cure or correct any alleged breach, default or violation.

14. Interpretation. Words and phrases herein shall be interpreted and understood according to the context in which they are used. This writing, including any addendum attached hereto, constitutes the entire agreement between the parties hereto with respect to the subject matters hereof; and no statement, representation or promise with reference to this agreement, or the premises leased, or any repairs, alterations, improvements; or any purported change in the terms of this agreement, shall be binding upon either of the parties unless in writing and signed by authorized representatives of both.

IN WITNESS WHEREOF the parties hereto have caused this lease to be signed and sealed by their duly authorized representatives as of the date first above written.

LESSOR

LESSEE

BY Wayne R. Moore
Vice President for Business
and Finance

BY F. Paul Goodland
F. Paul Goodland, Mayor

BY W. Wayne Bickney
Executive Secretary
State Board of Regents

ATTEST:

Gina Bicknese
Gina Bicknese, City Clerk

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SALE OF REAL ESTATE. It was recommended that the board approve, through passage of a resolution, the sale of a 1.48 parcel, more or less, of land under the jurisdiction of Iowa State University to Richard H. Sevde and Marguerite Sevde with the condition discussed below.

The Board Office reported that the relocation of Highway 30 at the south end of the Iowa State University campus created an unusual situation for the university. A 1.48 parcel south of the relocated highway became isolated. Its size made farming uneconomical, because this was the only parcel of land under the jurisdiction of Iowa State University located south of Highway 30.

A similar situation existed for Richard H. and Marguerite Sevde, who had a 0.92 acre parcel located north of the relocated Highway 30 with their major farming operations remaining south of Highway 30. The only access to that parcel by these individuals is through the College of Veterinary Medicine holdings.

The university requested approval to sell the 1.48 acre triangular parcel to the Sevdes. Sale would be subject to the approval of the State Executive Council, after which the Secretary of State (through the State Land Office) would issue a state patent to indicate completion of this transaction.

The Board Office noted that the issuance of a state patent to the Sevdes would not occur until the Sevdes, through quit claim deed, transferred the 0.92 acre parcel to the university and the university had accepted the parcel.

There were no appraisals on either parcel. The university noted that it feels that because of accessibility problems on both sides, the two parcels are approximately equal in value even though they are different in size. The consideration for the university is that it will be able to consolidate its land holdings, as can the Sevdes. The Board Office said there might be some similar increment in value to the Sevdes in that, through consolidation the value of their land holding should increase.

MOTION:

Dr. Harris moved that the board approve, through passage of a resolution, the sale of a 1.48 acre parcel, more or less, of land under the jurisdiction of Iowa State University to Richard H. Sevde and Marguerite Sevde with the condition that the issuance of a state patent to complete the transactions would not be given until there was simultaneous transfer through quit claim deed of a 0.92 acre parcel currently owned by the Sevdes to the Board of Regents. Mrs. Jorgensen seconded the motion. Upon the roll being called, the following voted:

AYE: Anderson, Harris, Jorgensen,
McDonald, Murphy, Neu, Nolting,
Wenstrand, Brownlee

NAY: None

ABSENT: None

A copy of the resolution appears below:

Resolution

- WHEREAS, Richard H. Sevde and Marguerite Sevde, husband and wife, owners of a triangular piece adjacent to other land owned by Iowa State University, have offered to exchange their triangular piece for the Iowa State University triangular piece adjacent to the Sevde land; and
- WHEREAS, Iowa State University has found that its present land holdings could be better utilized by acquiring the Sevde triangle; and
- WHEREAS, the sale of the Iowa State University triangle, more particularly described as follows:
- A parcel of land described as beginning at a point 359.55 feet N 00°04' W of the Center of Section 15, Township 83 North, Range 24 West of the 5th P.M., thence N 00°04' W 381.75 feet to a point on the right-of-way line of U.S. 30, thence S 84°33'50" W 339.35 feet to a point on the same right-of-way line, thence S 44°04' E 486.3 feet to the point of beginning, containing 1.48 acres more or less,
- would facilitate the purchase of the Sevde triangle; and
- WHEREAS, the Sevdes can advantageously integrate the 1.48-acre triangle into their land, and
- WHEREAS, because of the location, the value of the Sevde and Iowa State University triangles are approximately equal although different in size (0.92 acres and 1.48 acres respectively); now, therefore, be it and it is hereby
- RESOLVED, by the State Board of Regents, that it recommends to the State Executive Council the sale of the Iowa State University triangular piece to Richard H. Sevde and Marguerite Sevde in exchange for the sale by Richard H. Sevde and Marguerite Sevde of the Sevde triangular piece, and be it further
- RESOLVED, that the Secretary of State, through the State Land Office, be authorized to issue a State patent to indicate the completion of this transaction in accordance with the Iowa Code.

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NAMING OF BUILDING - NORTH UNIT OF EAST HALL. The board was requested to approve the naming of the north unit of East Hall in honor of Dr. Earl Heady.

Vice President Christensen said the committee for naming buildings at Iowa State University had unanimously voted to recommend that the north unit of what now is known as East Hall be named in honor of Dr. Earl Heady. Vice President Christensen said Dr. Heady has played an international role for leadership in agricultural economics. He is a prolific writer and researcher. He attracts students from all over the world. He was elected a distinguished professor at Iowa State in 1956, the first professor in Agriculture to receive the rank. Vice President Christensen said the university was pleased to bring this to the board.

MOTION: Mr. Wenstrand moved that the board approve the naming of the north unit of East Hall in honor of Dr. Earl Heady. Mrs. Murphy seconded the motion and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the Register of Capital Improvement Business Transactions for the period of June 18 through July 22, 1982, had been received, was in order, and was recommended for approval.

The board was requested to ratify executive secretary award of the following construction contracts:

<u>Quadrangle Renovation--Equipment (Group VI--Apple Computers and Peripherals)</u> Award to: Lyon Company, Inc., Jefferson, Iowa	<u>\$82,506.67</u>
<u>Roof Replacements--1982--Heating Plant</u> Award to: Central States Roofing, Ames, Iowa	<u>\$69,780.00</u>
<u>Roof Replacements--1982--Dairy Industry</u> Award to: Central States Roofing, Ames, Iowa	<u>\$31,900.00</u>
<u>Roof Replacements--1982--Science Addition</u> Award to: Nieman Roofing, New Prague, Minnesota	<u>\$55,000.00</u>
<u>Roof Replacements--1982--Marston Hall</u> Award to: Nieman Roofing, New Prague, Minnesota	<u>\$48,430.00</u>
<u>Roof Replacements--1982--Maple Hall</u> Award to: Nieman Roofing, New Prague, Minnesota	<u>\$28,385.00</u>
<u>Westgate and Lyon Halls--Window Replacement</u> Award to: K S & K Corporation, Ames, Iowa	<u>\$46,160.00</u>

The university also submitted an amended project budget for approval. This budget retains the project cost at \$130,000 funded by Dormitory Systems Surplus and shows the award of contract. The budget further noted \$63,600 reserved for future contracts.

Carver Hall--Exterior Joint Repair

Award to: Superior Waterproofing, Inc., Des Moines, Iowa \$19,480.00

The Board Office said the university had also submitted a revised project budget for approval. Originally, the board approved this budget at a level of \$61,000. Because of extremely favorable bids, the budget was revised downwards to \$26,000, still funded by Building Repairs.

Mr. McMurray noted that on the following six contracts minor irregularities had been waived by the executive secretary in award of contract. Board ratification was requested.

Roof Replacements--1982--Coover Hall

Award to: Central States Roofing, Ames, Iowa \$114,700.00

The irregularity was that the apparent low bidder submitted an obvious erroneous unit price for insulation of \$65/square foot. The irregularity was waived since the bidder has verbally acknowledged the error and will, by written confirmation, correct it to \$0.65/square foot.

Roof Replacements--1982--Wallace/Wilson Commons

Award to: Central States Roofing, Ames, Iowa \$84,700.00

The same error was made by the apparent low bidder on the unit price for insulation. Waiver was made for the same reason as stated above.

Roof Replacements--1982--Botany Hall

Award to: Wood Roofing, Des Moines, Iowa \$57,978.00

Receipt of a single bid is in itself an irregularity. In checking with the university, the Board Office found that the project budget requires a specialty roofer because the Botany Hall roof is pitched, rather than flat. This particular bidder specializes in shingle, slate, and tile roofs on large buildings. The bidder has done work previously at Iowa State University to the satisfaction of the university. The bid submitted was within the engineer's estimate.

The university submitted for approval an amended project budget and a revised project description on Roof Replacements--1982. The amended project budget shows the contracts awarded and notes that \$160,000 is reserved for future contracts. The university added roofs at Horse Barns, Dairy Barn, and East Hall to the previous eight replacements approved by the board in March and May 1982. The costs of those three roofs are estimated to be \$160,000. The Board Office recommended approval of the amended project budget.

Utilities--Heating Plant Improvements--Contract #2--Fire Protection Improvements and Miscellaneous Plant Improvements

Award to: Sweeney, Manning, Seivert, Inc., Granger, Iowa \$318,000.00

The irregularity was that the apparent low bidder wrote the Form of Bid amounts in pencil rather than being typewritten or in ink, as specified in

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Article 2--Preparation of Bids. This was waived by the executive secretary since the bid amounts were written clearly. There were no erasures or corrections. All other portions of the Form of Bid met required specifications as to preparation.

The university submitted an amended project budget showing this \$1,570,000 project and the first two contracts awarded. The project is funded for the most part from academic revenue bonding. There is \$751,500 reserved for future contracts.

Utilities--Heating Plant Energy Conservation Improvements

Award to: Winger Contracting Co., Ottumwa, Iowa \$132,600.00

The Board Office noted that the irregularity was that the apparent low bidder failed to acknowledge receipt of addendum #1 on the Form of Bid, as required by specifications. This was waived since the apparent low bidder provided written acknowledgement of intent to perform work outlined in addendum #1 within the bid amount.

The university presented for approval an amended project budget showing this \$193,000 funded from fuel savings. This amount is the same as approved in a revised project budget in June.

Utilities--Heating Plant--Guillotine Dampers

Award to: Corn State Metal Fabricators, Inc., West Des Moines, Iowa \$108,000.00

The irregularity was that the apparent low bidder failed to submit specified EEO information with the bid. This was waived since specified EEO information was furnished by the apparent low bidder prior to award of contract.

The university submitted an amended project budget retaining the project cost at \$141,000 and showing the contract award. The project is funded by fuel savings.

The Board Office recommended that the board reject the bids on the following project:

Curtiss Hall--North and South Stairwells and Remodeling

On July 13, 1982, bids were taken on the portion of the project, Corridor and Stair Wall Renovation. Four bids were received. The bids received were more than twice the amount budgeted for this portion of the project. Therefore, the Board Office recommended that the board reject the four bids received for Corridor and Stair Wall Renovation portion of this project and direct the university to accomplish the work planned through use of plant forces within the limits of the current project budget.

The board was requested to approve an amended project budget which shows that the \$25,000 previously listed under "Reserve for Future Contracts" now under the "Physical Plant Work." The total project amount (\$460,000) remains the same as the budget approved in June.

The board was requested to approve the following contract change order:

Iowa State Center--Resurface Parking Lots

The Board Office said the initial project budget was \$360,000. A contract was awarded in June. The favorable bids received allowed the university to reserve \$90,000 for future contracts.

The university now requested approval of a contract change order with Des Moines Asphalt and Paving Co., Des Moines, Iowa, in the amount of \$112,979. This change order involves four areas of additional work. The Board Office recommended approval. The university submitted an amended project budget for approval showing this change order and retaining the original project budget total of \$360,000 funded by Building Repairs.

The board was requested to approve the following new project:

ISU Hangar Replacement

Source of Funds: Plant Funds Unallocated \$350,000.00

The Board Office explained that the university has two connected hangars at the Ames Municipal Airport comprising 9,340 square feet. The university stated that the present space is inadequate to provide proper maintenance and storage of all eight university aircraft. Further, the north hangar has deteriorated beyond feasible repair. Through demolition, renovation, and construction, the university proposes to double its hangar space.

The university selected Rietz Engineering Consultants, Ames, Iowa, to provide design services on this project. The agreement would utilize the standard form and would be on the basis of hourly rates to a maximum of \$24,000.

The Board Office noted that the new Sundstrand hangar under the recently approved land lease would be north of this project.

The board was requested to take action on the following consultant contracts:

Armory--Partial Interior Renovations

The board approved a contract in April with Brooks, Borg, & Skiles, Des Moines, Iowa, for full design services on this project. Compensation was on an hourly rate basis to a maximum of \$84,000. The university requested a \$2,000 increase in that contract for the purposes of adding the design and installation of a fire alarm system as part of the campus-wide fire safety improvement project. Compensation maximum would be reestablished at \$86,000. The Board Office recommended approval.

Mechanical Engineering and Engineering Science and Mechanics Building

In July 1981 the board approved selection of Charles Herbert & Associates, Des Moines, Iowa, as project architect. Source of funds for architectural services is the ISU Achievement Fund. The firm presented schematic plans on the project to the board in March 1982.

The university now requested that the maximum of the contract be increased by \$72,000 to accomplish two areas of additional services: first, a computer analysis of life-cycle cost data on energy systems (which is required under Iowa law and board policy on a project of this magnitude). Additional compensation would be up to \$7,000. Second, the university has indicated a desire to design space in the basement level of the building in an area previously planned to be unexcavated to put in a computation center satellite and a telephone switchroom. Compensation for this additional design would be up to \$65,000. The university indicated previously that it would handle this space as a bid alternate and a decision could be made at the time of receipt of bids as to whether it would be better to exercise this alternate for additional space over and beyond the amount of space originally programmed or use any savings, should there be any, as a deduct against capital equipment needs for the building.

The board was requested to take appropriate action on the following special contract items.

Utilities--Heating Plant--Ash Silo Access Platforms and Weather Protection

The board approved a \$24,200 project at the April meeting funded by fuel savings. The university solicited quotations. Award was made by the university to Vaughn Company, Omaha, Nebraska, in the amount of \$16,856. The university also submitted an amended project budget showing this award and keeping the budget at the same level (\$24,200) as previously approved by the board.

Utilities--Heating Plant--Replace Economizers--Boilers 3 and 4

The Board Office said bids were opened on this project on June 22. The recommendation on award from the university noted the following irregularity:

The apparent low bidder is considered non-responsive to the specifications and award is recommended to the lowest responsible bidder, which firm submitted the second low bid.

Award was made by the executive secretary on June 29 to Green Economizers, Inc., Pepper Pike, Ohio, with a base proposal of \$261,500 (second low bid of 6 bids received). Mr. McMurray said that normally in a situation like this it would come to the board for approval before award of contract, but this was awarded by the executive secretary because the university needs to have this project completed before the start of the winter heating season. These boilers are the only two with emission control equipment in the university heating plant and need to be in good operating condition if the university is to meet emission reduction standards of the state.

The irregularity was waived upon receipt of an extensive analysis of data supplied by the three lowest bidders conducted by Brown Engineering Company, consultants on the project. The report from Brown Engineering Company noted nine deviations from the specification requirements made by the apparent low bidder, Capital City Boiler and Machine Works, Inc., Des

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Moines, Iowa. The report went on to point out deviations in specifications made by the second low bidder, Green Economizer; and then by the third low bidder, Baker Mechanical. The Brown report summarized:

We believe the equipment offered by Green Economizer comes closest to meeting the performance and construction requirements called in the specifications. All three bid prices were below our estimated construction cost of \$305,000 for this project. In consideration of all of the items pointed out, we think the university's best interests, from a technical standpoint, would be best served by awarding this contract to the second low bidder, Green Economizer, providing they accept the commercial terms contained in the specifications and can demonstrate that their proposed soot blower arrangement will work in the existing structure.

The Board Office said notice of award was sent by certified mail to Green Economizers, Inc., on June 30. Since that time, Green Economizers has agreed to the terms and conditions set forth in that notice of award and signed contracts, and performance bonds have been furnished.

On July 14, 1982, two weeks after the notice of award went to Green Economizers, the Board Office received a letter from James R. Bowers of the Des Moines law firm, Scalise, Scism, Gentry, Brick & Brick. This firm represents Capital City Boiler and Machine Works, Des Moines, Iowa. This letter gives a summary of the Capital City Boiler and Machine Works' response to the instances of deviation from specifications set forth in the Brown Engineering analysis. In the conclusion of the letter it states:

We respectfully request an opportunity to be heard on this bid protest and will attend the next scheduled meeting of the Board which we understand will be at 10:00 o'clock A.M. on Wednesday, July 21, 1982, at Iowa State University. If we cannot be placed on the agenda for this meeting, we would appreciate being advised of same and being placed on the agenda for the next regularly scheduled meeting of the Board.

The Board Office noted that the question before the board was whether the specifications developed by Brown Engineering and endorsed by the university could or should be altered enough to allow award to Capital City Boiler.

On a cost basis, the difference between the bids is \$198,240 for the Capital City Boiler bid and the aforementioned \$261,500 award to Green Economizers, Inc. Questions as to quality were investigated thoroughly by Brown Engineering Company. Material submitted by the university summarized that analysis and pointed out these problems:

- a) The effective capacity of the boilers could be reduced.
- b) The life of the boilers could be shortened.
- c) There could be inadequate cleaning of products of combustion.

- d) Welding used might lead to nonuniform quality of construction.
- e) The experience list developed by Capital City is not extensive for projects of this scope. There might be questions whether it could be done in a timely fashion.

The Board Office noted that another area of some concern was that Green Economizers, Inc., had been spurred on to get the materials to the job site by September 30 and to complete one of the two economizers by that time. Green Economizers has had several weeks now in which to place orders for that material based upon receipt of the official notice of award of the contract. There could be significant liability if the contract was now pulled from Green Economizers.

The Board Office felt that the best interests of the Board of Regents would be served if Green Economizers, Inc., continued to fulfill this contract, and it recommended that the board ratify award of this contract. The Board Office further recommended that the board deny the request of Capital City Boiler and Machine Works, Inc., to be given an opportunity for an oral presentation at this meeting.

Regent Wenstrand commented that the university apparently felt that the discrepancies from the specifications are not acceptable by any standards; he felt on the basis of what he had heard and read that the board should deny the appeal for oral presentation. Regent Harris thought the board should hear more specifics of the case before it made this decision.

Assistant Vice President Madden introduced William Whitman, Director of the Physical Plant at Iowa State University. Mr. Whitman said that in 22 years of handling university contracts, this is only the second time he had recommended that the low bidder not be accepted. He said the university felt that, in spite of several discrepancies, the most important factor in this decision was the lack of experience of the low bidder. The specifications required that the bidder submit experience in this area, and the bidder was not responsive to this request. The low bidder did not seem to have experience of the magnitude needed for this project. Mr. Whitman said the university takes seriously any contract associated with the heating system: it is virtually the life of the university during the heating season.

President Brownlee asked if any board member would object to a brief presentation by the petitioners at this time. Counsel for Capital City Boiler and Machine Works, Des Moines, Iowa, was present and prepared. Regent Wenstrand said he did have reservations but could see that there would be some advantages in hearing this presentation. President Brownlee said that in the interests of bending over backwards to be fair, the board would hear a presentation.

James R. Bowers, of Scalise, Scism, Gentry, Brick & Brick, Des Moines, Iowa, said he appreciated the opportunity to present the position of Capital City Boiler and Machine Works to the board. Capital City, pursuant to advertising for bids, submitted a sealed bid which was \$63,000 less than the second low bid by Green Economizers, Inc., Pepper Pike, Ohio. On June 30

notice of bid award was mailed to Green Economizer, and on the same day a letter of disqualification was mailed to Capital City. Prior to June 30, the president of Capital City, Walter A. Johnson, had received a telephone call from Brown Engineering in which some problems were mentioned. A meeting was set up between Brown Engineering and Capital City to go over the items that were considered deviations from the specifications. Mr. Bowers said this meeting lasted only five minutes. Capital City was not given time to respond to Brown Engineering regarding the deviations noted in the Brown Engineering report.

Mr. Bowers said Capital City attempted to respond to some of these items in a letter to the board dated July 13. Mr. Bowers said it was his understanding that the deviations are insubstantial and can be remedied. Capital City had not received any response to its position on these deviations.

Mr. Bowers said that, given the fact that the Capital City bid is \$63,000 lower and given the fact that Capital City feels that it can do this job as well as any firm in the country and given the fact that it is an Iowa firm, it felt compelled to ask for the opportunity to address the board to state that it did not feel it had received an opportunity to answer the claims of deviations or to express how responsible Capital City really is.

Mr. Bowers stated that in a letter he had written to the board he had outlined the extensive qualifications of Mr. Johnson. Mr. Bowers noted that the construction will be governed by a number of building codes. He understood that there is little chance for deviation by the contractor because the contractor would have to comply with these stringent codes. Mr. Bowers said Mr. Johnson had been asked to submit a quotation on a project last year. He felt that the Regents would not have asked him to submit a bid if they had not considered him qualified. Mr. Bowers did not feel qualified to discuss the technical questions in detail but his client was present and could do so.

President Brownlee asked if board members had any questions. Mr. Richey noted that approval of the Capital Register would ratify the executive award of this contract. President Brownlee thought the board would agree that when something like this comes up board members realize they are not boiler experts and must rely on the judgment of the staff. In answer to a question from Regent McDonald, Mr. Richey said Brown Engineering had been the consultant for this project, and that Board Office action had been based on the report from Brown Engineering. Regent Wenstrand said he had not meant to make any inappropriate criticism of any of the parties present at the meeting, but he agreed that the board had to rely on technical assistance. He said decisions like this one were not easy for the board.

MOTION:

Mr. Nolting moved that the board approve the Register of Capital Improvement Business Transactions for the period of June 18 through July 22, 1982; ratify award of construction contracts made by the executive secretary; approve the amended project budgets; reject all bids on the Curtis Hall--Corridor and Stair Wall Renovation; approve the contract change order; approve the new project; approve the consultant contracts; and authorize the executive secretary to sign all necessary documents. Mrs. Anderson seconded the motion and it passed unanimously.

President Brownlee then asked board members and institutional executives if there were other matters to be raised for discussion pertaining to Iowa State University. There were none.

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The following business pertaining to the University of Northern Iowa was transacted on Wednesday, July 21, 1982.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes were ratified by the board.

OTHER PERSONNEL TRANSACTIONS. The board was requested to approve the following personnel transactions:

Change of Status:

Professor Shirley Haupt, from Professor of Art to Professor of Art and Acting Head of the Department of Art, effective August 25, 1982. Salary: \$29,345.00.

Dr. Daryl D. Smith, from Professor and Acting Head, Department of Biology, to Professor and Head, Department of Biology, effective August 23, 1982. Salary \$34,000.00.

Appointment:

Dr. Charles R. May as Professor of Education and Head of the Department of Curriculum and Instruction, effective August 25, 1982. Salary: \$34,500.00.

MOTION:

Mrs. Murphy moved that the board approve the personnel transactions noted above. Mrs. Jorgensen seconded the motion and it passed unanimously.

EDUCATIONAL OPPORTUNITY PROGRAM, PROGRESS REPORT. The board heard an oral report on recent progress of the Educational Opportunity Program from Vice President Martin.

Vice President Martin announced that the university had appointed a new coordinator for Culture House. Naomi Caruthers had been named Acting Coordinator of Culture House, effective July 1. Vice President Martin noted that this appointment was well received by students, faculty, and administration. In answer to a question from Regent Harris, Dr. Martin said Ms. Caruthers had previously been an advisor in the Educational Opportunity Program and this was a reassignment.

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Vice President Martin said he felt there was a new atmosphere in the Culture House which is refreshing and gratifying. There have been meetings with the Culture House Policy Board on two occasions. New bylaws have been developed and will be submitted to the university. The Student Activities Committee has been reactivated. The university has increased student participation and is consulting with students and faculty and staff. There is already a program for summer students. The changes recommended in the evaluation report are being introduced.

Vice President Martin introduced Dr. Paul Rider to the board. Dr. Rider, Professor of Chemistry and chair of the UNI Faculty for two terms, has been appointed to Dr. Martin's staff. He will have the special assignment of introducing the recommendations of the evaluation report into the Educational Opportunity Program. Dr. Rider was the person on the Faculty Senate that facilitated the evaluation report. Regent Harris asked if there was support for this appointment. Vice President Martin said there was very strong support, not only from minority faculty but from faculty in general.

Another appointment mentioned by Vice President Martin was that of Leander Brown, Assistant Professor of Educational Psychology, to serve as Affirmative Action compliance reviewer.

Vice President Martin said new budget approval procedures have been introduced. He explained that each part of the program will have a separate budget. Requests will be prepared in the division where they originate and come to Dr. Martin's office to be verified. Then they will go to the Business Office where a senior accountant will determine if they are proper and accountable. They will come back to Vice President Martin's office for approval and then back to the Business Office for payment. Regent Harris asked if this method would be modified if it were found to be too cumbersome. Vice President Martin said it seemed to be working well. In this method any trouble spots are noted early in the approval process. Since problems are discovered and solved early, the whole process moves smoothly later. The staff is being taught through seminars to use this procedure. He noted that he has received excellent cooperation.

President Brownlee asked about the formation of a search committee for a new director for the Educational Opportunity Program. Vice President Martin said representatives have been chosen from the Faculty Senate, Student Senate, and Culture House Policy Board. There will be a community representative and other student, faculty, and staff representation. Dr. Martin noted that the actual title for the new Educational Opportunity Program administrator still needed to be determined. It is intended that the committee will be organized by early fall, at which time it will proceed with a national search for the new administrator.

President Brownlee said the board would be expecting further reports in the future.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the Register of Capital Improvement Business Transactions for the period of June 11 through July 8, 1982, had been received, was in order, and was recommended for approval.

The board was requested to ratify executive secretary award of the following construction contracts:

<u>Parking Lot Maintenance</u>	
Award to: Aspro, Inc., Waterloo, Iowa	<u>\$140,962.00</u>
<u>West Gym--Interior Improvements--Phase II</u>	
Award to: Karr Tuckpointing, Inc., Vinton, Iowa	<u>\$11,727.00</u>
<u>Seerley Hall--Sloped Roof Improvements</u>	
Award to: Service Roofing Company, Waterloo, Iowa	<u>\$98,679.00</u>
<u>Residence System--Room Smoke Detectors</u>	
Award to: Stickfort Electric Co., Inc., Cedar Falls, Iowa	<u>\$72,250.00</u>
<u>Regents Complex--Steam Line Replacement--Phases II and III</u>	
Award to: Young Plumbing and Heating Co., Waterloo, Iowa	<u>\$103,300.00</u>

The Board Office reported that the university also submitted a revised project description for approval. The board in March approved a project to replace the existing deteriorated underground steam piping which serves Hagemann Hall and the Redeker Dining Center. The university, however, expanded the bidding (hoping for a favorable bidding market) to include a Phase III, which would be the final phase to replace the steam piping which serves Noehren Hall. Excellent bids were received and the project is now expanded to encompass both Phase II and Phase III.

The Board Office noted that the following three construction contracts had been awarded by the executive secretary utilizing Form B.

<u>Seerley Hall--Renovations for Faculty Offices and Graduate Assistants' Work Space</u>	
Award to: Ken Kampman Construction Co., Cedar Falls, Iowa	<u>\$21,423.00</u>

The reason a Form B was utilized was because of the following irregularities:

1. The apparent low bidder made bid security payable to U.N.I., rather than to Executive Secretary, State Board of Regents, as specified. Owner's representative, noting the error, failed to read the bid into the record at the time of the public opening.
2. The apparent low bidder failed to submit specified EEO information with the bid.

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The executive secretary waived the irregularities since:

1. The bid documents permit the owner to waive irregularities or technicalities in any bid. After consultation with legal counsel, the executive secretary directed the owner's representative to read the bid into the record and to recognize the mistake on check issuance as a technicality.
2. The bidder furnished specified EEO information prior to award of contract.

Power Plant #1--Boiler #1--Superheater Tubes Replacement

Award to: Capital City Boiler & Machine Works, Inc., Des Moines, Iowa
\$34,569.00

The irregularity was that the apparent low bidder failed to submit specified EEO information with the bid. The irregularity was waived by the executive secretary since the specified EEO information was furnished by the apparent low bidder prior to award of contract.

Sidewalk System Improvements--1982--Phase II

Award to: K. Cunningham Construction Co., Inc., Cedar Falls, Iowa
\$20,137.75

The irregularity was that the apparent low bidder failed to submit the first page of the three-page specified "Form of Bid for Construction Contract" with the bid. This irregularity was waived by the executive secretary since the bidder was new to board contract procedures and erroneously omitted the first page. In addition, the first page did not contain any numbers affecting the bid amount. That page was submitted by the apparent low bidder prior to award of contract to the firm.

The board was requested to approve the following revised project budgets:

Hillside Courts--Exterior Lighting

The Board Office said the univeristy had submitted a project budget increase changing the budget from \$26,000 (approved in April 1981) to \$42,000. Source of funds remains Residence System Improvement Fund. The reason for the increase is a change in the scope of work.

The board was also requested to ratify selection of Gilmor & Doyle, Ltd., Waterloo, Iowa, to provide electrical engineering services on this project. The contract would be on the basis of the general contract approved with this firm in February with hourly rates to a maximum of \$3,150.

West Gym--Interior Improvements--Phase I

The university requested approval of a revised budget totaling \$87,000 which is \$22,000 more than the budget originally approved in February. The revision is needed to include within this project the basic fire alarm interconnection

equipment, HVAC controls, and the interconnection of the HVAC equipment with the automatic central control system. Source or funds would be a charge back of \$11,000 to the Fire Safety Deficiency Corrections budget and \$11,000 to the Energy Management Program capital funds. The original \$65,000 is from Building Repairs.

The board was requested to approve Final Reports on four projects. The Board Office reported that all were in order and recommended approval.

The board was requested to approve the following new project:

<u>UNI-Dome--Additional Office Space</u>	
Source of Funds: Building Repairs	<u>\$145,000.00</u>

The university proposed to construct an open office area over and upon the existing west offices and restrooms to house the Sports Information Director and office personnel, both associate athletic directors and their staff, and other administrative personnel. The project will alleviate a critical shortage of office space and provide comparable athletic opportunities for women and men athletes, as recommended by the Federal Office of Civil Rights, Region VII, Postsecondary Education Division, during the recent discrimination complaint review. The project would be designed and inspected in-house and accomplished by outside contract, according to the Board Office.

The board was requested to take action on the following consultant contracts:

Gilchrist Hall--Radiant Ceiling Panel Study

Ratify selection of Gilmore & Doyle, Ltd., Waterloo, Iowa, to investigate and prepare a report regarding the deterioration of the existing radiant panels and appurtenances, such as temperature control system, in the ceilings of Gilchrist Hall. The services would be on the hourly rates stated in the general contract with the firm to a maximum of \$6,500.

Russell Hall Renovation--Acoustical Study

Ratify selection of Kirkegaard and Associates, Inc., Lombard, Illinois, to determine what must be done to correct acoustical deficiencies in the auditorium and stage area of the music building at the university. Reimbursement would be at hourly rates to a maximum of \$4,300 plus a reimbursable expense maximum of \$650. The university noted efforts made to find competent acoustical consultants. This firm did the acoustical work for the new music building at Iowa State University and comes highly recommended by Iowa State University personnel.

Communication Arts Center--Final Phase

The university requested permission to negotiate for architectural services on this project. This project has been high on the priority list of the Board of Regents capital request for the past biennium. The university

would use internal funds temporarily to finance design of the project, so that final design and actual construction could progress as quickly as possible upon receipt of state funding.

The current cost of this facility is \$7,100,000. This phase of the Communication Arts Center is comprised entirely of the university's Art Department. The Art Department is housed in three old buildings. One building, which houses sculpture, painting, and photography, is an old physical plant bus garage. Heating, ventilation, equipment, and sanitary facilities are woefully inadequate. The ceramics laboratory is located in a cluster of old converted World War II Quonset huts. Residential furnaces used to heat the units clog with clay dust and often fail during the winter, causing frequent dismissal of classes. The major problems with the last building (Latham Hall) are size and present condition. The heating and ventilation system is antiquated and the rooms are inadequate for the current art curriculum and lack the necessary equipment to carry on the instructional process. A majority of the space was never designed to be used as art instructional space and is both inefficient and cumbersome. The new building will allow this sidely scattered department a first chance for unity.

The Board Office said the other reason for taking action at this time is to speed up the process of razing the Old Administration Building. The university proposed a schedule whereby occupants and functions currently housed in the Old Administration Building would be relocated next spring. The building would be razed in summer 1983. The schedule, in part, is dependent upon funding of the Communication Arts Center--Phase II in the 1983 Legislative Session. The university noted that continued use of the Old Administration Building would require expenditure of \$189,000 to restore minimally this building to a safe functioning condition. Mr. McMurray said the building still would not be what it should be; it was felt that this would not be a wise expenditure of funds.

It was recommended that the university be authorized to negotiate for architectural services for the design of the Communication Arts Center Building with the understanding that a contract for full architectural services would come back to the board for approval at a latter date--possibly the October meeting. The contract would have as one of its features a stop/start arrangement so that the university would have the opportunity to assess the probability of state financing of the project at both the conclusion of schematic design and design development. The university would intend to recapture its costs for design when the full project was funded by the state. The Board Office estimated that, under the best of circumstances, the design could be completed to allow for bidding in September 1983. This timetable assumes funding will be provided in the 1983 Legislative Session. This advance planning would save a minimum of nine months toward occupancy of the new building and corresponding savings in inflationary increases. The building, then, could be occupied as early as September 1985 rather than June 1986.

MOTION:

Dr. Harris moved that the board approve the Register of Capital Improvement Business Transactions for the period of June 11 through July 8, 1982; ratify executive secretary award of construction contracts; approve the revised budgets; approve the final reports; approve the new project; ratify the consultant contracts; authorize negotiation for architectural services; and authorize the executive secretary to sign all necessary documents; Mr. McDonald seconded the motion and it passed unanimously.

JOSEPH S. WRIGHT TRUST - RESOLUTION. It was recommended:

1. That the board adopt the resolution accepting a bequest of income under the trust agreement between Joseph S. Wright, deceased, and the First National Bank of Chicago, Trustee, to provide scholarship funds at the University of Northern Iowa; and
2. That the board authorize the executive secretary to modify the language of the resolution to conform to the requirements of the trustee relative to payment of net proceeds either to the university or the University Foundation.

The Board Office reported that the university is the sole income beneficiary of a trust established by Joseph S. Wright, deceased. The current value of the trust is \$161,748 and has an annual net income of approximately \$13,000. The trustee is to pay the net proceeds to the university for a period of 50 years to fund three scholarships to be known, respectively, as the Joseph S. Wright Scholarship for students preparing to teach physical education for men, the Mabel M. Wright Scholarship for women preparing to teach physical education, and the David Sands Wright Scholarship for students preparing to teach fine arts. At the end of 50 years the assets of the trust are to be paid to the university and added to the Seerley Foundation Scholarship Fund.

The university would like to have the net proceeds paid to the UNI Foundation for ease of administration consistent with other donations and bequests received by the university. The trust agreement directs that the proceeds be paid to the treasurer of the university or such other official thereof as may be designated by the university president. The university's counsel, Leo Baker, in 1969 advised the university that in a similar situation the proceeds could be paid to the UNI Foundation rather than the university.

At the suggestion of the Attorney General's Office the university has made inquiry of the trustee to determine if the trustee will make payment to the foundation rather than the university. The trustee was considering the request of the university, but had not, at the time of the board

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meeting, made a determination on the request. Hence, the second part of the recommended action which would allow the executive secretary to modify the resolution if the trustee will not make payment to the foundation. In that case, the resolution would be modified in its second and third paragraphs by deleting the word "Foundation."

Mr. Richey said the Board Office had serious concerns about these funds going anywhere except to the university. President Brownlee asked university personnel if they felt the need for legal counsel in this matter. Vice President Stansbury said the Attorney General had been consulted and had said it would be permissible to have these funds paid to the foundation. The bank, however, is looking at it far more narrowly. Vice President Stansbury said the university is flexible on the recommendation. It will allow the executive secretary to adjust the resolution to satisfy the bank.

Below is a copy of the proposed resolution:

RESOLUTION ACCEPTING A BEQUEST OF INCOME UNDER THE TRUST AGREEMENT BETWEEN JOSEPH S. WRIGHT, DECEASED, AND FIRST CHICAGO, TRUSTEE, TO PROVIDE SCHOLARSHIPS AT THE UNIVERSITY OF NORTHERN IOWA.

WHEREAS, The University of Northern Iowa is the sole surviving income beneficiary under a Trust Agreement to create scholarship funds, more particularly described in the attached letter of June 24, 1982, from Margaret D. Venables, Trust Officer of First Chicago;

AND, WHEREAS, The University desires to accept this bequest to be administered by the University of Northern Iowa Foundation on behalf of the University and its students and so recommends to the Iowa State Board of Regents;

NOW, THEREFORE, The Iowa State Board of Regents for the benefit of and on behalf of the University of Northern Iowa resolves to accept the bequest of income provided by a Trust Agreement executed by Joseph S. Wright on December 11, 1956 and as described above, to be administered through the University of Northern Iowa Foundation, in accordance with the purposes established by the decedent, Joseph S. Wright.

Passed and approved July _____, 1982

Signed:

R. Wayne Richey, Executive Secretary
State Board of Regents

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MOTION:

Mr. Nolting moved that the board adopt the resolution accepting a bequest of income under the trust agreement between Joseph S. Wright, deceased, and the First National Bank of Chicago, Trustee, to provide scholarship funds at the University of Northern Iowa; and that the board authorize the executive secretary to modify the language of the resolution to conform to the requirements of the trustee relative to payment of net proceeds either to the university or the University Foundation. Mrs. Anderson seconded the motion and it passed unanimously.

President Brownlee then asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to the University of Northern Iowa. There were none.

IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Wednesday, July 21, 1982.

REGISTER OF PERSONNEL CHANGES. The actions in the Register of Personnel Changes for June 1982 were ratified by general consent of the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the final Register of Capital Improvement Business Transactions for June 1982 had been received, was in order, and was recommended for approval.

The board was requested to ratify executive secretary award of the following construction contracts:

Energy Management Improvements--1982

Award to: Control Services, Inc., Omaha, Nebraska \$12,381.00

This is for the portion of the project to install automatic controls for mechanical systems in the Vocational Building.

Energy Management Improvements--1982

Award to: Eliason & Knuth, Omaha, Nebraska \$16,670.00

This is for the portion of the project to install ceiling insulation in the Vocational Building. The Board Office said a Form B was utilized because the apparent low bidder failed to submit specified EEO information with the bid. This irregularity was waived since the bidder submitted specified EEO information prior to award of contract.

The Energy Management Improvements--1982 project, as approved by the board in May with a project budget of \$76,700 funded by Building Repairs, had three additional subprojects. Purchase orders were issued as follows on those subprojects:

Installation of 84 thermopane windows on the south elevation of the Main Building

Purchase order to: Element Control, Omaha, Nebraska (windows only) \$27,212.60

This firm previously furnished windows for the Main Building. It was determined that the school should stay with this firm for standardization and compatibility reasons. The firm honored a price quoted on windows from July 23, 1980, with a 3 percent markup.

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Purchase order to: L. R. Rasmussen Contracting, Omaha, Nebraska
(installation only) \$ 4,200.00

Install individual condensate steam meters in Vocational Building and
Main Building

Purchase order to: Rasmussen Heating and Cooling, Inc.,
Council Bluffs, Iowa \$ 8,810.00

This subproject will allow the school to measure more accurately energy usage in these buildings.

Install electric sub supply meters in Vocational Building and Main Building

Purchase order to: Bluffs Electric, Inc., Council Bluffs, Iowa \$1,766.00

The school noted that all portions of this project are now in progress. Total costs are now estimated to be \$74,239.60, which is within the budget of \$76,700 previously approved by the board.

The board was requested to approve the following new project:

Demolition of Corn Crib

The school requested permission to demolish a wooden corn crib located at the north end of the campus. The structure is in need of extensive repairs and is of no further use to the school. The school would receive quotations to either demolish the corn crib or sell it as salvage. The Board Office recommended approval.

MOTION:

Mr. Nolting moved that the board approve the Register of Capital Improvement Business Transactions for June 1982; ratify executive secretary award of construction contracts; approve the new project; and authorize the executive secretary to sign all necessary documents. Mrs. Murphy seconded the motion and it passed unanimously.

FINAL 1982-83 TITLE I SPECIAL EDUCATION BUDGET. It was recommended that the board give final budget approval to the Title I Restricted Fund Budget for 1982-83 in the amount of \$163,464. Final approval will remain subject to program approval by the State Department of Public Instruction.

The Board Office reported that, subsequent to preliminary budget approval in May 1982, the Department of Public Instruction had confirmed fund availability of \$163,464.

The final budget remains unchanged in total from the preliminary 1982-83 Title I Special Education Budget; however, program budgets show a \$541 increase to instruction and a \$541 decrease to academic support. These changes were reported in the 1982-83 internal operating budget document.

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The program has been funded in previous years by Title I of the Elementary and Secondary Education Act (ESEA). Now the funding is by the Education Consolidation and Improvement Act (ECIA), 1981, Chapter I, which is a block grant to provide financial assistance to meet special education needs of disadvantaged children. However, the Department of Public Instruction was advised to use the administrative rules for Title I, ESEA until new rules are promulgated. Although the new rules may contain some deregulation, substantial change is not expected by the Department of Public Instruction. The Board Office continues to refer to the program as Title I for convenience and continuity.

Pending final Department of Public Instruction action on program, the Board Office recommended that the amount reported above for purposes described at the May meeting be approved.

MOTION:

Mr. Nolting moved that the board give final budget approval to the Title I Restricted Fund Budget for 1982-83 in the amount of \$163,464, subject to program approval by the Department of Public Instruction. Mr. Neu seconded the motion and it passed unanimously.

President Brownlee then asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to the Iowa School for the Deaf. There were none.

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Wednesday, July 21, 1982.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for May 30, 1982, to June 26, 1982, were ratified by general consent of the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. There were no transactions for June 1982.

FINAL TITLE I BUDGET (RESTRICTED) FOR 1982-83. It was recommended that the proposed final Title I budget for 1982-83 in the amount of \$54,703 be approved subject to program review and approval by the Department of Public Instruction.

The Board Office reported that the institution proposed a final Title I budget for 1982-83 in the amount of \$54,703. This amount compares with \$50,400 for 1981-82 and \$53,472 for 1980-81.

The allocation to the institution is based on \$653.46 per child which is derived from the total allocation of federal funds to the state divided by the total number of children in institutions under the jurisdiction of the Board of Regents and the Department of Social Services. The total allocation of funds to the state for 1982-83 is down 15 percent from the previous year but the total number of children is also down by about the same amount (14.6 percent). The number of children at Iowa Braille and Sight Saving School increased by 7 from the previous year to 85 as of October 1, 1982. This accounts for the 8.5 percent funding increase over 1981-82 in spite of a reduction of federal funding to the state.

The proposed programs are listed as follows:

<u>Program</u>	<u>1981-82</u>	<u>1982-83</u>
1. Parent Visitation	\$ 3,500	\$ 1,810
2. Recreation	10,729	14,488
3. Low Vision Clinic	1,000	1,750
4. Materials Development	5,000	6,652
5. Curriculum Development	5,500	14,250
6. Pre-Vocational Assessment & Training	17,000	
7. Work Study	2,000	2,000
8. In-Service	2,000	9,702
9. Indirect Costs	3,671	4,051
<u>Total Title I Budget</u>	<u>\$50,400</u>	<u>\$54,703</u>

The Board Office commented briefly on the individual program listings.

The Pre-Vocational Assessment and Training item for 1981-82 was a nonrecurring purchase of equipment.

The Curriculum Development Program is being increased from \$5,500 to \$14,250. Last year by the time the program was approved a Secretary II could be hired for only a portion of the year. This year the employee will continue for the full year. This employee will work with the Director of Education, the librarian, and the teacher who is in liaison with school districts and parents throughout the state.

The Work Study Program was started in 1981-82 with very positive results, according to the institution. As examples, one senior student worked with elderly people in a retirement home. Another senior student performed custodial work for the Vinton Parks and Recreation Department. The institution emphasized that proper supervision is of critical importance for the program to be successful.

The In-Service Program is budgeted at \$9,702 for 1982-83 as compared with \$2,000 last year. The institution emphasized that untrained houseparents are hired who must be given training on proper care of the children and on emergency procedures. Moreover, teachers trained to instruct single handicapped children need to be trained for multiply handicapped children.

The Board Office said in conclusion that the proposed programs clearly are devoted to serving the children and accordingly recommended approval.

MOTION:

Mr. Wenstrand moved that the board approve the proposed final Title I budget for 1982-83 in the amount of \$54,703 subject to program review and approval by the Department of Public Instruction. Mr. McDonald seconded the motion and it passed unanimously.

RENEWAL OF AGREEMENT FOR PHYSICAL AND OCCUPATIONAL THERAPY WITH SAINT FRANCIS HOSPITAL, WATERLOO. It was recommended that the board approve the agreement with Saint Francis Hospital, Waterloo, Iowa, for physical therapy and occupational therapy for selected students at IBSSS.

The Board Office explained that the school began utilizing the therapists of Saint Francis Hospital, Waterloo, in 1981 under a contracted services agreement approved by the board. The recommended action will continue that agreement with all terms and conditions, including cost, remaining the same for another year. It is anticipated by IBSSS that the cost of the services will be approximately \$5,000.

Under the agreement Saint Francis Hospital will provide evaluation of students relative to their physical and occupational therapy needs, performance of physical and occupational therapy for students in accordance with the students' physicians' orders, assistance of staff with care

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planning for students, instruction of staff in appropriate therapy measures, and consultation in the purchase of supplies and equipment pertaining to physical and occupational therapy.

The agreement is automatically renewed each year unless either party gives 30 days notice of termination.

IBSSS reported that it has been very pleased with the services provided by Saint Francis Hospital and that those services contribute significantly toward the school's compliance with federal and state statutory and regulatory requirements. The Board Office recommended approval of this agreement.

MOTION:

Dr. Harris moved that the board approve the agreement with Saint Francis Hospital, Waterloo, Iowa, for physical therapy and occupational therapy for selected students at IBSSS at a cost of \$18.00 per hour per therapist, as needed, for a period of one year beginning July 1, 1982. Mrs. Anderson seconded the motion and it passed unanimously.

President Brownlee then asked board members and institutional executives if there were additional matters to be raised 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 3:06 p.m. on Wednesday, July 21, 1982.


R. Wayne Richey, Executive Secretary