

The State Board of Regents met on Wednesday, July 8, 1987, at Lake Okoboji.
The following were in attendance:

Members of State Board of Regents

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

Office of the State Board of Regents

Executive Secretary Richey	All sessions
Director True	All sessions
Director Wright	All sessions
Associate Director Runner	All sessions
Associate Director Stanley	All sessions
Assistant Director Peters	All sessions
Minutes Secretary Briggie	All sessions

State University of Iowa

Acting President Remington	Exc. 12:10 p.m.
Vice President Moll	Exc. 12:10 p.m.
Associate Vice President Rhodes	Exc. 12:10 p.m.
Associate Vice President Small	Exc. 12:10 p.m.
Assistant to Vice President Davis	Exc. 12:10 p.m.
Director Cooper	Exc. 12:10 p.m.
Director Stork	Exc. 12:10 p.m.

Iowa State University

President Eaton	All sessions
Executive Vice President McCandless	All sessions
Vice President Christensen	All sessions
Vice President Madden	All sessions
Vice President Moore	All sessions
Director Lendt	All sessions

University of Northern Iowa

President Curris	All sessions
Provost Martin	All sessions
Vice President Conner	All sessions
Director Chilcott	All sessions
Director Stinchfield	All sessions

Iowa School for the Deaf

Superintendent Giangreco	All sessions
Business Manager Kuehnhold	All sessions

Iowa Braille and Sight Saving School

Superintendent Thurman	All sessions
Business Manager Berry	All sessions
Director Young	All sessions

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Preceding the Board meeting, members of the Board and institutional officials toured the Iowa Lakeside Laboratory.

The following business pertaining to general or miscellaneous business was transacted on Wednesday, July 8, 1987.

APPROVAL OF MINUTES OF BOARD MEETING, JUNE 17-18, 1987.

President Pomerantz stated that since the minutes were distributed to Board members that morning the Board could either approve the minutes subject to corrections or defer approval until the next meeting.

MOTION: Regent Harris moved approval of the June 17-18, 1987, minutes subject to corrections. Regent Williams seconded the motion.

Regent Greig stated he preferred to defer approval of the minutes until the next meeting.

WITHDRAWAL OF MOTION: Regents Harris and Williams withdrew the motion.

MOTION: Regent Greig moved to defer approval of the minutes until the next Board of Regents meeting. Regent VanGilst seconded the motion, and it carried unanimously.

CONSENT ITEMS. The items on the consent docket, except for the University of Iowa Personnel Register, appear in the appropriate sections of these minutes and were approved by general consent of the Board. The University of Iowa Personnel Register was submitted late; therefore, it will be acted on at the next Board of Regents meeting.

REPORT OF COMMITTEE ON EDUCATIONAL COORDINATION. a. New Admission Requirements at University of Iowa and Iowa State University. The Board Office recommended the Board 1) approve the proposed admission policies for Iowa State University and the University of Iowa effective Fall 1990, and 2) request that the Educational Relations Committee study the impact of the proposed rules and report to the Board in October 1987.

In June the Board of Regents referred the request for revised admission policies from Iowa State University and the University of Iowa to the Interinstitutional Committee on Educational Coordination for review and

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recommendation. The Board Office recommended that the effective date be the Fall semester of 1990. The implementation dates proposed by the University of Iowa and Iowa State University in June were 1989 and 1991 respectively. The Board asked that both policies be implemented at the same time.

Consultation took place with the Director of the Department of Education regarding the implementation of the new admission requirements and the Board Office recommendation was based on that consultation. The proposed date reflected the need to provide adequate notice to students, parents and high school staff.

The Board Office recommended that the study of the effects of this policy, to be conducted by the Educational Relations Committee, specifically address the following:

1. The impact of the timing of the effective date of the new policies.
2. The impact on minority students.
3. The impact on local public schools.
4. Access to the Regent universities.
5. The development of an implementation plan to adequately inform parents, students, and high school staff.

The Board Office recommended the report be provided to the Board of Regents at the October 1987 meeting.

Vice President Martin stated the Interinstitutional Committee on Educational Coordination reviewed and discussed the proposals for new admission requirements at University of Iowa and Iowa State University. The committee determined the effective date for implementation of the new admission requirements should be the same at both universities. After much discussion the committee arrived at a compromise date of Fall 1990. Vice President Martin stated that date would provide ample notice to prospective students. The committee recommended the new admission requirements be approved by the Board.

In response to the Board Office recommendation that the impact of the new admission requirements be studied by the Educational Relations Committee and a report of their findings be presented to the Board of Regents by October 1987, Vice President Martin stated the interinstitutional committee felt the new admission requirements should be approved prior to the study. He said it would require much time to perform the study, and October 1987 was rather early to expect the study to be completed. He added that some of the Educational Relations Committee members would be involved in reviewing residency requirements at the time the Board Office suggested the new admissions requirements be reviewed. Vice President Martin suggested December 1987 might be a better time to present a report on the Educational Relations Committee study of the effects of new admissions requirements.

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MOTION:

Regent Tyler moved to 1) approve the proposed admission policies for Iowa State University and the University of Iowa effective Fall 1990 and 2) request that the Educational Relations Committee study the impact of the proposed rules and report to the Board in December 1987. Regent Fitzgibbon seconded the motion, and it carried unanimously.

REPORT OF BIG TEN GOVERNING BOARDS CONFERENCE.

Regent Greig stated that at last month's meeting he made a few comments about the employee benefits workshop he attended at the Big Ten Governing Boards Conference. He said this conference was the first he had attended out of state as a Regent representative. He said he was impressed with the information he received at the conference. In addition to the information presented at the main conference, he said it was beneficial to meet with Regents of other major institutions for private discussions. It gave him insight into the political structure of those organizations and into how those organizations operated differently than the Iowa State Board of Regents while still accomplishing similar goals.

Regent Greig stated he hoped that at least two other Regents would be able to attend the conference next year because he felt it was the best meeting he had ever attended.

Regent Williams stated the keynote speaker at the conference was Ernest Boyer, President of the Carnegie Foundation, who has written a great deal of material addressing all levels of education. His keynote address was The Undergraduate Experience in American Colleges. She said she believed it would be advantageous for the Regents to purchase the tape of his presentation. She added that at the end of Mr. Boyer's presentation four persons presented reactions to his proposals which she found very interesting. Regent Williams said Mr. Boyer talked about applying the strong points of small liberal arts colleges to the bigger universities.

Regent Williams stated that another important aspect of the conference was the opportunity to gain an understanding of differences in governance between the state of Iowa and other Big Ten institutions. She said Iowa is the only state that governs three institutions under one body of Regents. The other states have a governing board for each institution. She said it was also

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interesting to learn of the unique programs being offered by other universities. The University of Michigan has an undergraduate program called University College which she found very appealing.

Regent Williams stated it is very important for the Iowa State Board of Regents to extend itself outside the state of Iowa and meet other State Regents and institutional personnel. She said it is important to be global in one's understanding of higher education.

Regent Williams reiterated that it would be a good idea to purchase the tape of Mr. Boyer's presentation to have available for Regents, and also possibly obtain a copy of his publication.

Mr. Richey stated the Board Office would be responsible for obtaining the tape of Mr. Boyer's presentation.

President Pomerantz thanked Regents Greig and Williams for taking the time to attend the conference. He said he hoped other Regents would be able to attend the conference next year.

ACTION: President Pomerantz stated the report of the Big Ten Governing Boards Conference was received by general consent.

PROPOSED RESOLUTION ON GOVERNANCE.

Mr. Richey stated that on July 2, 1987, representatives of the Board, institutions and the Board Office met to discuss optional language in the resolution to enunciate the Board's governance prerogatives. He said the prerogatives included delegation of responsibility to the Board President, institutions and the Board Office. After extensive discussion the group agreed that instead of attempting to adopt a full governance resolution they would develop position descriptions for the legislative liaison personnel and university presidents.

Regent Tyler stated the Board had spent much time discussing the subject of a governance resolution. He asked to make it a part of the record that section 262.12 of the Code of Iowa outlines some of the rules and procedures of the Board in fairly simple language.

Regent Fitzgibbon stated it was important that in conjunction with developing position descriptions for the legislative liaisons and the university presidents the group also look at job descriptions of institutional and Board Office staff in order to bring to the surface and eliminate any misunderstandings.

President Pomerantz stated the Board will be moving toward job descriptions for all staff. He said the intent was not just to deal with the issue of lobbyists and governmental representation but to cover the whole question of

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governance and to put that into perspective. He said Interim President Remington was given responsibility for developing a governance resolution that addresses the discussion held by the group at its last meeting. President Pomerantz stated progress is being made on the development of a governance resolution; however, if it takes several more meetings, no one objects. He said he agreed with Regent Fitzgibbon's statement that the law defines the authority of the Board of Regents. In addition to that, however, he said the Regents need a resolution that will speak to its management of the institutions. He said it will take time but it will be time well spent. He added there were good feelings from institutional officials and the Board members in attendance at the last committee meeting.

Regent Williams stated she hoped it was made clear that the Board of Regents recognizes the individual uniqueness of the institutions and will keep that in mind as these meetings are carried out. She asked that the resolution recognize the strengths of each institution and will not attempt to lump them into one approach to a given situation.

Regent Fitzgibbon stated he hoped that any changes proposed by the governance resolution are presented in a positive way. He said the objective in developing a resolution was not to tear apart the current structure but to build on what we have. He said he would not want any of the institutions to see it as something negative or that the Regents are trying to correct a problem.

Regent VanGilst said he had positive feelings when he left the committee meeting. Ideas were exchanged and many concerns came to the surface. He said the committee was on the road to making positive changes for the Regents and the institutions.

President Pomerantz said he was anxiously awaiting the draft resolution to be forthcoming from Interim President Remington.

ACTION: President Pomerantz stated the Board requested that a revised governance document be prepared and brought to the Board for consideration and action in September by general consent.

POLICY ISSUES. The Board Office recommended the Board approve the scheduling and delegation of activities related to the Board's priority issues.

At the time of its approval, the Board asked that a time schedule be prepared indicating the dates for implementation of action with respect to each of the issues. It was also necessary to affix specific responsibility for the follow-up activities. The following is a list of issues presented to the Board of Regents, including the individual time schedules and proposed delegation of responsibility for each issue. Also included is a brief description of each priority issue.

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Organizational Audits. The organizational audits are already underway. A Request for Proposals (RFP) has been issued for Phase I of the organizational audits. Phase I is an attempt to identify the scope of the organizational audits.

Time schedule: 1987-88

Persons responsible: Consultants with oversight from ad hoc committee.

Administrative and Governance Matters.

1. Interinstitutional Cooperation and Teamwork. This issue relates to the development of methods and procedures to improve interinstitutional cooperation and teamwork. It is based on the premise that improved interinstitutional cooperation and teamwork can enhance the credibility of the Board of Regents and the institutions, and result in the more effective achievement of established Board of Regent goals and objectives.

Time schedule: Should be a part of the organizational audit.
1987-88.

Persons responsible: Consultants with oversight from ad hoc committee.

2. Cooperation in High Technology Areas. This issue relates to the need for greater interinstitutional cooperation with respect to high technology areas. It is intended to encourage meaningful collaboration between and among the Regent institutions, especially in areas where expensive equipment and facilities are necessary. This would enable the state to provide necessary, non-duplicative, expensive equipment for use in teaching, research and service.

Time schedule: December 1987.

Persons responsible: The Interinstitutional Committee on Educational Coordination for the establishment of an ad hoc subcommittee to include Board Office representatives.

3. Improved Relations with Agencies and Organizations (ISD/IBSSS). This issue is already underway by the new superintendents in terms of improving and expanding on the opportunities for greater cooperation and improved relations with various agencies and organizations involved with special education in Iowa. A part of this issue is being addressed through the establishment of the position of State Vision Consultant at the Iowa Braille & Sight Saving School.

Time schedule: December 1987.

Persons responsible: Superintendents in cooperation with the Board Office.

4. Review of Lobbying Efforts. Regent policy is determined on a daily and incremental basis during each legislative session by the persons representing the Board of Regents to the legislature. It is essential to the achievement of Regental goals and objectives that the representatives work under the direction of the Board so that Board policy remains under the control of the Board.

Time schedule: Fall 1987.

Persons responsible: Ad hoc committee appointed by the Board president.

5. Executive Management and Financial Performance Review by the Board. This issue relates to the development of performance indices by the Board to be used in monitoring institutional management and financial activities. Similar procedures are being developed by the Department of Management, and it is important that the Board have its own indices to maintain its governance responsibility.

Time schedule: November 1987.

Persons responsible: Board Office and Interinstitutional Business Officers.

6. Review of Board Functions and Meeting Formats, Including Persons in Attendance at Board Meetings and Cost and Frequency of Board Meetings. A major aspect of the Board's governance takes place at Board meetings. It is essential that Board meetings be conducted in the most effective and efficient manner and provide an opportunity for the Board to address all of the major governance issues. It is also important that efforts be made to conserve institutional resources by requiring only those persons with specific need to be at the Board meeting.

Time schedule: September 1987.

Persons responsible: Ad hoc Docket Procedures Review Committee.

7. Board of Regents Mission. Like the institutions, the Board itself should have a statement of mission and goals that incorporates the institutional missions and provides for the overall role of the Board and its institutions within the postsecondary education framework of Iowa.

Time schedule: December 1987.

Persons responsible: Ad hoc Board committee appointed by the Board president.

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8. Board Office Mission. The Board Office serves at the pleasure of the Board and provides the necessary support for the Board to carry out its day-to-day governance responsibilities. It, too, should have a well-defined mission that is understood by the institutions and others who must interface with the Regents system. This should be a part of the organizational audits.

Time schedule: 1987-88.

Persons responsible: Consultants as a part of the organizational audit.

9. Planning Policy. The Board needs to articulate its expectations with respect to the planning being undertaken by the Regent institutions. For example, Board members may wish to examine the contents of past institutional planning reports to determine if these contain the specific kinds of information that the Board will require to carry out its strategic planning process.

Time schedule: January 1988.

Persons responsible: Ad hoc Board committee appointed by the Board president assisted by Board Office and Interinstitutional Committee.

10. Legislative Policy Issues.

These issues are developed and presented to the Board for information or decision prior to the legislative session.

Time schedule: December 1987.

Persons responsible: Board Office and institutions.

Academic Affairs.

1. Institutional Mission Statements. Review of the institutional mission statements is currently underway at all five Regent institutions and the results of this review are due to be reported to the Board of Regents in September. The institutions were provided with guidelines for the development of these mission statements last December. In September the Board will review the mission statements and determine if they meet the Board's requirements.

Time schedule: September 1987.

Persons responsible: Institutions.

2. Duplication of Academic Programming. The Board frequently hears concerns regarding the "duplication" (i.e., unnecessary duplication) in academic programs at the Regent institutions. It is anticipated that among the

charges to the consultants in the organizational audits will be a request for recommendations regarding unnecessary duplication. This should be included as a part of the organizational audits.

Time schedule: 1987-88.

Persons responsible: Consultants as a part of the organizational audit.

3. Program Review and Approval. Last December the Board Office recommended and the Board approved in January, the development of institutional reports that summarize the reviews that have taken place at each of the Regent institutions during the preceding year and describe the procedures utilized in those reviews. The first of these reports is due to be reported to the Board in Fall 1987. This should provide the Board with the assurance that review of all existing academic programs is taking place at the Regent institutions and that the procedures utilized in those reviews are adequate.

Time schedule: November 1987.

Persons responsible: Institutions

4. Undergraduate Education. In December the Board Office requested, and in January the Board approved, a study of the undergraduate education being provided at the three Regent universities. This study will appear as a special focus of the long-range planning efforts currently underway. This is a critical issue for the Board in that the undergraduate programs at the Regent institutions have been criticized at times with respect to such concerns as the use of temporary instructors and non-English speaking foreign teaching assistants.

Time schedule: November 1989.

Persons responsible: Institutions.

5. Articulation. It is essential for the educational system in Iowa that there be continuous and effective communication between all of the sectors of education in Iowa. This item has currently been assigned to the Educational Relations Committee, which is to develop a report for the Board.

Time schedule: October 1987.

Persons responsible: Educational Relations Committee.

6. Admission Standards. The Board has recently taken action with respect to revised admission standards at each of the Regent institutions. The Board currently has a report being developed by the Educational Relations Committee on this topic.

Time schedule: October 1987.

Persons responsible: Educational Relations Committee.

7. Review of Enrollments. There are a number of critical issues facing the Board with respect to enrollments. These include such things as minority enrollment, the enrollment of women, the enrollment of students in the lower half of their high school class, the large foreign student enrollments in some programs, and the decline or increase of enrollments in certain areas. The enrollment review takes place annually as the Board is presented comprehensive reports on enrollments at the Regent institutions in October and November of each year.

Time schedule: October-November 1987.

Persons responsible: Board Office with assistance of institutions.

8. Library Resources. The institutional libraries at all of the Regent institutions are resources. It is important that these resources be adequate and be effectively coordinated interinstitutionally so that maximum use can be made of library resources between and among the Regent institutions. It is also important that unnecessarily duplicative resources be more effectively utilized.

Time schedule: September 1987.

Persons responsible: Interinstitutional Library Committee.

9. Role of University Radio Stations. The role of university-operated radio stations needs to be examined by the Board to determine their appropriate function within an academic community. Consultants should be engaged to advise the Board regarding the role of the Regent radio stations. This should include representatives from Iowa Public Television and the private broadcasting sector, as well as outside persons.

Time schedule: December 1987.

Persons responsible: Consultants augmented by an advisory committee representing Iowa Public Broadcasting, private broadcasters and institutional personnel to be appointed by the Board president.

Fiscal Affairs.

1. Approach to Development of Capital Needs. To be developed during preparation of FY 1989 capital programs which are to be initially presented to the Board in September.

Time schedule: September 1987.

Persons responsible: Institutions and Board Office business staff.

2. Selection of Architects. Examination of existing procedures.

Time schedule: November 1987.

Persons responsible: Institutions and Board Office business staff.

3. Bonding and Other External Financing Policy. To be developed prior to September sale of Academic Building and Revenue Bonds.

Time schedule: September 1987.

Persons responsible: Institutions, Board Office business staff and ad hoc Banking Committee.

4. Tuition and Fees Policy. There are a number of issues with respect to the development of tuition and fee policies, including rates, special fees and charges, method of payment, etc. Other concerns which have been raised by Board members include the impact of tuition increases on the attendance at Regent institutions and the sufficiency of student financial assistance.

Time schedule: September-October 1987.

Persons responsible: Board Office.

5. Role of Ad Hoc Banking Committee. The Regents ad hoc Banking Committee has met quarterly over the last two years to fulfill a responsibility for oversight of investment practices of the Regent institution treasurers. The task has been expanded recently with respect to the review of audits and the improvement of business management at the two special schools.

Time schedule: Continuing.

Persons responsible: Ad hoc Banking Committee.

6. Hospital Financing. There is a need to review hospital financing as a result of changing state and federal policies and their impact on patient care and the support for medical education.

Time schedule: September-October 1987.

Persons responsible: University and Board Office staff.

7. Hospital Governance. The Board's involvement in hospital issues is of particular importance. This issue needs to be reviewed by the Board to

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determine its appropriate role in the governance of the University of Iowa Hospitals and Clinics.

Time schedule: September 1987.

Persons responsible: Ad hoc committee to be named by president of the Board.

8. Subsidization of Intercollegiate Athletics. There is a need to determine the appropriate levels of institutional subsidization of intercollegiate athletics at the three Regent universities. Such a review should determine if scarce academic resources should be used for subsidizing athletics.

Time schedule: Preliminary report, September 1987.

Persons responsible: Board Office and institutional staff.

9. Insurance Coverage for Facilities. The state of Iowa does not have insurance except for those facilities in which it is required as a part of the bond covenant.

Time schedule: November 1987

Persons responsible: Board Office and institutional business staff.

10. Oversight of Business Functions of Special Schools. The Board president and Board Office have exercised certain business oversight of the special schools at the direction of the Board. The degree to which this needs to be continued should be considered.

Time schedule: Fall 1987.

Persons responsible: Board Office and institutional staff.

Personnel Matters.

1. Compensation Policies.

- A. Salary policies -- There are a number of salary-related issues that need to be explored, including merit pay, competitive factors, centrality to the mission and overall relationship to institutional quality.

Time schedule: September-October 1987.

Persons responsible: Board Office and institutional staff.

B. Fringe Benefits -- Certain fringe benefits for employees, such as sick leave payout on retirement, are determined by state law. Insurance programs are either established by state law and collective bargaining agreements or through recommendations received from the institutions based on consultations with institutional employee groups. In each of the universities, for example, employees are provided health insurance through either the State's program, or institutionally-developed programs. Employees of the special schools and Board Office are in the State program for health insurance. Leaves, life insurance, long-term disability insurance, accidental death and disability insurance, retirement benefits, and other benefits of employment are developed through institutional consultations or the collective bargaining process. The Board has for many years attempted to permit institutional priorities to be accommodated in fringe benefit development while retaining a general balance in expenditures among the institutions.

Time schedule: September-October 1987.

Persons Responsible: Board Office and institutional staff.

2. Tenure Policies and Scheduled Elimination of Mandatory Retirement Policy.

The Board needs to review tenure policies as a result of changing retirement laws to ascertain effect on vitality of faculty. A complete report on tenure which contains extensive information on operation of tenure policies is prepared for the Board each December.

Time schedule: January 1988.

Persons responsible: Interinstitutional committee assisted by Board staff.

3. Collective Bargaining.

The Board's role in collective bargaining varies according to the bargaining unit being considered. For merit system employees the Board participates with other agencies of state government in developing a collective bargaining agreement. While the state established bargaining units for all employees, certain units, such as ISU and SUI faculty, have chosen not to organize. Interactions with employees who have organized or who are actively pursuing organization are proscribed by the Public Employment Relations Act.

Time schedule: July 1988.

Persons responsible: Board Office staff assisted by institutions.

4. Process and Procedures for Evaluations of Presidents and Superintendents.

The Board has undertaken annual evaluations of institutional heads. It has used an instrument developed over several years. There is a need to develop a link between institutional missions, expectations established for institutional heads, and the evaluation process.

Time schedule: December 1987.

Persons responsible: Ad hoc Board committee appointed by the Board president and assisted by the Board Office.

5. Process and Procedures for Evaluation of Institutional Officials.

Institutional officials other than superintendents and presidents are evaluated by the superintendent or the president. These officials have major influence upon institutional programs and help set the direction of the institutions. The Board's role in their evaluation needs to be explored. This aspect of the Board's responsibility was demonstrated during the recent appointment of institutional secretaries and treasurers.

Time schedule: December 1987.

Persons responsible: Ad hoc Board committee appointed by Board president and assisted by the Board Office and institutions.

6. Grievance and Appeal Procedures.

The Board has established procedures which permit students and others to appeal final institutional decisions to the Board. For employees in bargaining units, certain of these procedures are preempted by their collective bargaining agreements which provide binding arbitration for selected grievances. A review of these procedures should include a review of the requirements of the State's Administrative Procedures Act relative to due process rights for employees.

Time schedule: December 1987.

Persons responsible: Board Office and institutions.

Mr. Richey stated the list of policy issues to be pursued by the Board, Board Office, and the institutions was drafted and distributed to Board members and institutional officials in June. Since that meeting, input was provided by the institutions and Board members in refining the list of priorities. He said one item had an addendum, which was financial performance reviews. It was originally listed under the fiscal heading and Mr. Richey discovered that those were not quite the same projects.

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President Pomerantz stated the Board was being presented with a system of issue management for everyone's review. He said the priorities established were subject to change. However, unless more significant issues came forth the Board would go forward with the time table as presented.

Regent Williams stated there were several items listed which involve the use of an ad hoc committee. She said she assumed the Regents will be informed when persons are appointed to serve on those committees.

President Pomerantz asked that Board members interested in serving on a particular committee relay that information to the Board Office. He hoped that committee membership would be established within three to four weeks.

Regent Fitzgibbon asked whether the charge of the ad hoc committees would be specific.

President Pomerantz stated the effort would have to be specific.

Regent Duchon asked whether the universities felt comfortable with the list of governance issues. He asked if anyone had concerns they would like to express.

President Eaton stated he was not threatened by public hearing on anything.

Regent Fitzgibbon asked institutional officials if the timeframe was acceptable. He stated this was additional work on persons already performing full-time jobs.

President Remington stated there appeared to be many items with deadlines in September, October and November. He said his level of comfort would depend on the scope and size of the issue.

Regent Fitzgibbon expressed concern that at the last Board meeting Board Office staff indicated they would take time off in August before the upcoming Board activities. He said that if the charge of each committee were quite large it could require much staff time.

President Pomerantz stated there seemed to be some confusion regarding the time table for the governance issues. He said the committees may just be starting their work in September or October since some issues will take more time than others. He said he hoped to get the issues focused and the human resources dedicated as soon as possible and then decide the appropriate timing for carrying out the study. He said the governance issues listed would affect the total institutions and, therefore, deserved time and attention.

President Eaton asked whether the dates listed represented the opening discussion rather than a completion deadline.

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President Pomerantz responded that it depended on the issue.

Mr. Richey stated that some of the deadlines are dictated by the budgeting process. The Board will be making budget decisions in September and October, and mission statements are already scheduled for September. All of those issues have to be completed this fall.

President Eaton stated he agreed those issues needed immediate attention but he said there were other issues with the same time period attached that were not as demanding to be done this fall -- those which are not driven by the budgeting process.

President Pomerantz suggested the ad hoc committees proceed to determine if they can accomplish their tasks by the prescribed time or not. He said he wished to make the point again, just as he made at the last Board meeting, that the issue management system is flexible and it was possible to move the dates and change the issues.

Regent Duchen stated he believed the proposed issue management system was important, not just from the standpoint of internal operations but to clarify goals and establish rules.

Regent Harris expressed concern that the Board's desire to recruit minorities and women ought to be listed under the priority issues, but was not.

Regent VanEkeren stated, in reference to the issue entitled Subsidization of Intercollegiate Athletics, that the Board had previously discussed conducting an in-depth study to determine what is happening on the academic side of athletics.

Regent Williams asked whether Regent VanEkeren was suggesting expanding that issue as listed.

Regent VanEkeren stated it could be expanded or included as a separate issue.

President Eaton stated that in reviewing the list of governance issues it appeared there were approximately 10 issues to be presented at the December Board meeting. He was concerned that in order to work 10 of these issues into the December meeting persons would not be able to devote the time to discussion that ought to be devoted.

Regent Fitzgibbon stated the Board would lessen the quality of this project and study if the deadlines were too severe. He said deadlines which cause a need for people to contribute less than they should is wrong. He said it appeared that everyone was in general agreement that there was a need to put a priority on those things that are affected by the budgeting process. He suggested the committees proceed on that basis and that issues not affected by budgeting could be dealt with a little later.

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President Pomerantz stated the Board Office would take another look at the time lines. He added that he was encouraged by everyone's interest.

Regent VanEkeren stated she was not sure that the best way to handle addressing the individual issues is at a Board meeting. She said that previously the Board discussed the possibility of an intensive two-day seminar. She suggested that might be the way to handle receipt of the reports of the ad hoc committees.

Regent Duchen stated the issues are so important the Board needs to set aside some time to deal with them.

President Pomerantz suggested scheduling and prioritizing the issues should proceed. After the committees have reflected on the immediacy and content of the studies, they can inform the Board of their views on how to proceed.

ACTION: President Pomerantz stated the Board received the report on policy issues by general consent.

REPORT ON ORGANIZATIONAL AUDITS. The Board Office recommended the Board receive the report on organizational audits.

The Board, at the June Board meeting, reviewed the proposed approach to the organizational audits. Since the June Board meeting, the ad hoc committee on organizational audits completed a formal Request for Proposals (RFP) which was distributed to 9 consulting organizations known to have experience in the general area of the proposed organizational audits. A pre-bid conference is scheduled for July 9, 1987, to provide an opportunity to give input to the consultants regarding the Board's expectations for Phase I in which the scope of the project will be developed. The proposals are due in the Board Office on August 7, 1987. Between August 7 and August 21, 1987, the proposals will be evaluated by the ad hoc committee and selected proposals will be identified for a presentation to be given in late August. It is anticipated that the contract will be awarded on August 31, 1987.

During the study, progress reports will be due each month. A preliminary report will be due on October 30. The preliminary report will be reviewed by the Board at its November meeting. The final report on the project will be due at the end of November. It is anticipated that the Board will take action on the various recommendations for scope and will approve Phase II of the proposed organizational audits at its December meeting.

Regent Williams asked for the names of the nine organizations that were distributed RFPs.

Director True responded the nine organizations were: Coopers & Lybrand of Austin, Texas; Peat, Marwick & Main & Co. of Sacramento, California; Arthur

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D. Little of Chicago, Illinois; NCHEMS Management Service, Inc. of Boulder, Colorado; MGT of America, Inc. of Tallahassee, Florida; Augenblick, Van de Water & Assoc., Inc. of Denver, Colorado; Cresap, McCormick and Paget of Washington, D.C.; Academy for Educational Development of Washington, D.C.; and, Arthur Anderson of Chicago, Illinois.

Regent Williams stated she was concerned about the whole issue of auditing educational organizations. She hoped the Board would recognize the uniqueness of the institutions as it proceeds with the selection process. She stated the organizational audits should not be strictly business evaluations since the institutions are not strictly business operations.

President Pomerantz stated that a very strategic element to this type of audit is that if the selected auditing firm does not have the educational-related talent it needs, it would embellish its staff with that talent.

Regent Fitzgibbon asked whether the RFP just released was for establishing the scope of the audit.

President Pomerantz responded that the Board was seeking a firm to develop the scope of the organizational audits. He said the ad hoc committee felt it was worth significant effort up front to properly scope and staff a consultant.

Regent Williams asked whether, once the scope is defined, the Board will receive information since the Board will not be meeting before September.

President Pomerantz responded that information would be forwarded to the Board members.

Regent Williams asked whether the Board would formally act on the selection of the consultant to scope the organizational audits in September.

Mr. Richey stated an interinstitutional committee consisting of the university presidents, Associate Vice President Moll and Executive Assistant to the President Stinchfield, Board Office staff and the Board president would receive the responses to the Request for Proposals in August.

President Pomerantz stated the committee expected to extend invitations to the bidding firms to make presentations.

Regent Fitzgibbon asked if the theory "the fewer committees the better" applied in this situation.

Regent Williams stated that since this was such a unique undertaking perhaps it deserved its own committee.

President Pomerantz stated the committee would make sure more Regents are involved in the selection process.

Regent VanGilst stated he had thought the Board would make the selection of the consulting firm.

President Pomerantz stated Mr. Richey suggested that when the process gets closer to the actual selection of the firm to scope the organizational audits the committee could have a conference call with the Board of Regents. President Pomerantz stated the committee would make a commitment to do that.

ACTION: President Pomerantz stated the Board received the report on organizational audits by general consent.

FINAL OPERATING BUDGETS FOR FISCAL YEAR 1988. The Board Office recommended the Board (1) receive the report on final operating budgets and budget policies for the Regent institutions for fiscal year 1988; (2) approve the changes in institutional final budgets required to accommodate the \$1.5 million reduction in salary adjustment fund appropriations; and (3) approve the proposed budgets for special purpose appropriations at the University of Iowa and the University of Northern Iowa as identified within the report.

The total Regent institution operating budget for fiscal year 1988 of \$691.4 million is 8.9 percent above the revised total budget for fiscal year 1987. It includes \$372.5 million in appropriations and \$318.9 million in institutional income. Highlights of the final operating budgets include:

- * Average faculty salaries increases in the range of eleven to twelve percent at each of the Regent universities.
- * Faculty salary increases at the special schools to provide minimum salaries of \$18,000.
- * Average professional and scientific staff salary increases of seven percent at the University of Iowa and Iowa State University and eight percent at the University of Northern Iowa.
- * General service staff salary increases of two percent as of July 1 and merit steps and comparable worth adjustments consistent with Regent Merit System policy and collective bargaining contracts.
- * Revisions in final operating budgets to accommodate a \$1.5 million reduction in salary adjustment appropriations. In most units this requires that vacant positions be held open or that temporary teaching appointments not be made in order to generate additional salary savings.
- * Systematic internal reallocation processes at the University of Iowa and Iowa State University which are generating over \$2 million at each institution for reallocation in fiscal year 1988. Less formal

reallocation procedures at the University of Northern Iowa reported to generate approximately \$150,000 in fiscal year 1988.

- * Improving Educational Quality appropriations of \$1.78 million each at the University of Iowa and Iowa State University. New appropriations of over \$1 million at the University of Northern Iowa.
- * Approval recommended for special purpose appropriations at the University of Iowa and the University of Northern Iowa to include:
 - Specialized Child Health Services - Mobile and Regional Clinics
(University of Iowa)
 - Agricultural Health and Safety Service Pilot Program
(University of Iowa)
 - Center for Health Effects of Environmental Contamination
(University of Iowa)
 - Small Business Assistance Center for the Safe and Economic Management of Solid Waste and Hazardous Substances
(University of Northern Iowa)
 - Decision-Making Science Institute
(University of Northern Iowa)
- * Student fee income of \$133.8 million (19.4 percent of the institutional operating budgets). Increased tuition income from rate increases to support faculty salary increases and increased student aid.
- * Sales and services income of \$154 million (22.3 percent of total institutional budget) including income generated by rate increases in the statewide health service units.

Director True stated this docket item included the budget setting process for fiscal year 1988 for University of Iowa and University of Northern Iowa. He said there was an 8.9 percent budget growth for all Regent institutions for fiscal year 1988. Information presented this month which was not presented in the preliminary budgets was the proposed usage of restricted funds. He said Regent budgets, including both general and restricted funds, total \$1.2 billion.

MOTION:

Regent Tyler moved to (1) receive the report on final operating budgets and budget policies for the Regent institutions for fiscal year 1988; (2) approve the changes in institutional final budgets required to accommodate the \$1.5 million reduction in salary adjustment fund appropriations; and (3) approve the proposed budgets for special purpose appropriations at the University of Iowa and the University of Northern Iowa as identified within the report. Regent

Fitzgibbon seconded the motion, and it carried unanimously.

DISTRIBUTION OF FISCAL YEAR 1988 LOTTERY RESEARCH AND DEVELOPMENT FUNDS. The Board Office recommended the Board (1) receive reports from Iowa State University on the Agricultural Biotechnology Program and on its intent to use National Center for Food and Industrial Agricultural Product Development funds for remodeling; (2) approve Iowa State University's fiscal year 1988 Lottery Research and Development proposals for agricultural biotechnology at \$4.25 million and for the National Center for Food and Industrial Agricultural Product Development at \$500,000; and (3) receive a report on the Institute for Decision Making Sciences and approve the University of Northern Iowa's fiscal year 1988 Lottery Research and Development proposal at \$250,000.

A portion of the net Lottery revenues are assigned to be available for research and development projects at colleges and universities in Iowa. For fiscal year 1988 there has been appropriated \$7 million for research and development project funding with \$5 million of that amount earmarked in the appropriations for specific research and development projects. The remaining \$2 million is available for competition among Regent universities and other Iowa colleges and universities. Regent university proposals are reviewed and approved by the Board before submission to the Department of Economic Development. The Department of Economic Development is charged with disbursement of the Lottery Research and Development funds.

In each successive year the Board's discretion within this program has been diminished as decisions are made in the legislature how best to commit university research and development funds. During the first year of the Lottery Research and Development Fund \$500,000 was earmarked and in the appropriations for fiscal year 1987 that increased to \$3.75 million. For fiscal year 1988, \$5 million has been earmarked by the General Assembly.

The three projects for which Lottery funding has been directed in the appropriations are listed below.

<u>Institution</u>	<u>Project</u>	<u>Amount</u>
Iowa State University	Agricultural Biotechnology	\$4,250,000
Iowa State University	National Center for Food and Industrial Agricultural Product Development	500,000
University of Northern Iowa	Institute of Decision Making Science	250,000

This fall the Board is expected to consider university proposals for the remaining \$2 million in Lottery research and development funds. The Board

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will have the opportunity to approve and prioritize proposals to be submitted to the Department of Economic Development. The projects awarded competitive grants are the last Lottery research and development projects funded, therefore, the Board's recommendations to the Department of Economic Development are not needed until later this year.

Director True said that if a balance remains after funding the aforementioned projects, those funds will be dealt with by the Board with proposals to be submitted by the universities.

Regent Tyler stated that at some point in time the Board should be apprised of the meeting with the Economic Development Board to attempt to improve communications.

President Pomerantz asked that action be taken on the docket item then a verbal report be given on the meeting with the Economic Development Board.

MOTION:

Regent Harris moved to (1) receive reports from Iowa State University on the Agricultural Biotechnology Program and on its intent to use National Center for Food and Industrial Agricultural Product Development funds for remodeling; (2) approve Iowa State University's fiscal year 1988 Lottery Research and Development proposals for agricultural biotechnology at \$4.25 million and for the National Center for Food and Industrial Agricultural Product Development at \$500,000; and (3) receive a report on the Institute for Decision Making Sciences and approve the University of Northern Iowa's fiscal year 1988 Lottery Research and Development proposal at \$250,000. Regent Williams seconded the motion, and it carried unanimously.

Regent Tyler deferred the report on the meeting with the Economic Development Board to the Regent president.

President Pomerantz stated representatives of the Board of Regents met with the High Technology Council of the Economic Development Board to suggest that there be a higher level of communication between the two boards. He said the Regent representatives communicated to the group the need to recognize Regent priorities and priorities of the Regent institutions. He said it was a brief and friendly meeting. They also spent some time explaining the functions of the individual boards. He said he felt everyone left the meeting with a better understanding of each other.

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Regent Fitzgibbon asked the purpose for meeting with that group.

Mr. Richey stated the meeting arose out of concerns expressed by Regents that the Economic Development Board was ignoring the Regents' priorities for distribution of the research and development portion of Lottery proceeds.

President Pomerantz stated Lottery proceeds are somewhat questionable in terms of availability in the future.

Regent Williams asked whether the two groups would be meeting again.

President Pomerantz stated there were no plans to meet on a permanent basis.

Regent Tyler stated the main purpose for meeting with the Economic Development Committee was to bring to their attention concerns of the Board of Regents about their not recognizing the Board's priorities. The committee members indicated they went strictly by the laws as they interpreted them in making determinations on funding, although the committee members had different interpretations of the laws.

REPORT ON PREPARATION OF BUDGET REQUESTS FOR FISCAL YEAR 1989. The Board Office recommended the Board receive the report on preparation of budget requests for fiscal year 1989.

The fiscal year 1989 Regents budget request is expected to be considered at the September and October Board meetings. Board action must occur at the October Board meeting in order to meet statutory deadlines. The Governor's Office must have the Board's budget request entered into the state's automated budget system by November 1. Operating and capital budget requests are expected to follow the same timetable. Direction from the Board at its September meeting will enable the institutions and the Board Office to provide additional information and restructure requests as appropriate to meet the Board's requirements prior to decision making in October.

Interinstitutional discussion will begin in July on a variety of budget issues. Institutional budget requests are due in the Board Office by September 4, 1987.

President Eaton stated the "Toledo Society" interinstitutional budget planning group met that morning to discuss preparation of budget requests for fiscal year 1989. The group will meet again on August 20, 1987, to complete that discussion. He said there was general consensus on all items they discussed including faculty salaries, library funds, and general discussion of targets and concepts. He said the group is working within the budget timetable. One of the points discussed at today's meeting was the desire to take a much more detailed look at data of comparable universities -- not just faculty and professional/scientific salaries but current expense and equipment budgets, and appropriations from the states, as well.

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ACTION: President Pomerantz stated the Board received the report on preparation of budget requests for fiscal year 1989 by general consent.

PROPOSED REVISION OF BOARD OF REGENTS POLICY ON NOTIFICATION OF TUITION INCREASES. The Board Office recommended the Board approve a revision to Chapter 3 of the Regents Procedural Guide as noted below.

This past session, the Legislature adopted Senate File 511, which added a new subsection to 262.9, Code of Iowa, pertaining to the powers and duties of the Board of Regents. This subsection requires the Board of Regents to make the final decision on tuition increases no later than the November Board meeting of the previous year. It also requires certain procedures for notification.

It was suggested that 3.03I in the Procedural Guide be revised to include the elements added in Senate File 511 and to read as follows:

If the State Board of Regents Office proposes increasing tuition, fees, or charges for students at one or more of the universities under the control of the Board of Regents, the Board Office shall send written notice of the amount of the proposed increase to all of the presiding officers of the student government organizations of the affected institutions not less than 30 days prior to action by the Board on the proposal. For tuition decisions, this notice shall include a copy of the proposed tuition increase docket memorandum. The Board should continue to allow 30 days between the preliminary discussion and the final decision on proposed increases.

The final decision on tuition for a fiscal year should be made no later than the regular meeting held in November of the preceding fiscal year. This meeting shall be held in Ames, Cedar Falls, or Iowa City and shall not be held during the period in which classes have been suspended for Thanksgiving vacation.

Mr. Richey stated the proposed revision was a result of action taken during the legislative session which requires conforming the policies of the Board of Regents to statute. He said the proposed language was not much different than previous language.

Regent Williams asked whether any problems would be posed for the Board in terms of adjusting to the legislation.

Mr. Richey responded that most the changes had already occurred. He added that if problems developed in the future the Board would have to deal with them.

MOTION:

Regent Williams moved to approve the revision to Chapter 3 of the Regents Procedural Guide as presented. Regent VanEkeren seconded the motion, and it carried unanimously.

REPORT ON STUDENT PAYMENT PLANS. The Board Office recommended the Board receive the report on student payment plans and request that the universities provide follow-up reports to the Board as changes occur in student payment policies.

Payment plans for students at the University of Iowa and the University of Northern Iowa are somewhat similar but differ significantly from those at Iowa State University. The University of Iowa and the University of Northern Iowa offer installment payments during the semester. This service is provided at no cost at the University of Iowa and only a \$5 cost at the University of Northern Iowa. Payments of full tuition for the semester are due at the beginning of each semester at Iowa State University. Plans are underway, however, to make changes beginning in fall 1988.

The University of Iowa and the University of Northern Iowa have engaged firms which offer budget payment plans to students. At the University of Iowa beginning this fall the firm, Tuition Payment Plans, will offer student budget plans as well as unsecured loans and home equity loans with variable interest payments tied to the prime rate.

Director True stated that last year when the Board discussed tuition policy Regent Harris asked each university to prepare a report on its tuition payment plans.

President Curris stated the institutions are making an extra effort to facilitate the handling of payments on the part of students through loan programs. He said that many university officials have deep concerns due to the amount of debts being incurred by students, and are seeking ways to help students finance that debt. He said there is some disturbing news regarding financial barriers for some students.

Regent Harris stated he hoped that the University of Iowa and University of Northern Iowa would continue with their present plans allowing students to pay on a monthly basis. He said he did not favor entering into agreements with tuition management systems because they seem to be quite expensive interest-wise. He said he was opposed to that type of educational financing and favored the monthly payment plans of the University of Iowa and University of Northern Iowa.

Associate Vice President Small stated tuition management systems should not be seen as alternative but an option on the part of students and parents.

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President Pomerantz stated he was concerned as he reviewed information on the higher cost easy payment plans. He said it is important to do business with institutions that have financial credibility; otherwise, there could be a risk to students and the universities as well. He added that the interest rates are high.

Associate Vice President Small stated it is a parent's financial resources at risk rather than the university or the student.

Regent Harris asked whether it was true that in previous financing plans the interest was deferred until after graduation but the tuition management systems do not offer that deferral.

Associate Vice President Small responded that the difference between the two forms of financing is that the former is a governmental loan and the latter a private plan.

Regent VanEkeren asked when the university planned to begin offering the optional payment plan.

Associate Vice President Small responded that the university planned to begin offering the optional payment plan in the near future.

Regent Fitzgibbon stated it is important that when the university begins offering the optional payment plan it communicate properly what is involved financially to the students as well as the parents. He said the offering of the optional plan was fine but he emphasized that how the plan is communicated was of critical importance.

President Pomerantz referred to the University of Northern Iowa exhibit where it discussed the legal implications of a private firm going out of business prior to remitting collections of tuition payments to the university, and said that if that was an issue it needed attention.

ACTION: President Pomerantz stated the Board, by general consent, received the report on student payment plans and requested that the universities provide follow-up reports to the Board as changes occur in student payment policies.

PROPOSED FLEXIBLE BENEFIT PROGRAM AT IOWA STATE UNIVERSITY. The Board Office recommended the Board approve Iowa State University's Flexible Fringe Benefit Plan for implementation on or about January 1, 1988.

The Board Office recommended the plan be approved as a two-year pilot project with a review at the end of the first year of operation.

Director Wright stated that in 1984 the Committee on Efficiency and Cost Effectiveness recommended that the institutions be permitted to consider such plans. He said institutional consultation has taken place with all Regent universities, and Iowa State University was the first to come forth with a proposal to make pre-tax dollars contributions to pay for selected medical and dependent care expenses. The plan would be available to faculty and professional-scientific employees. He said the university agreed the program should be a two-year pilot project to be evaluated at the end of its first year. After the evaluation recommendations for changes would be made to the Board. One item that will be reviewed is the annual administrative cost for an outside provider which is anticipated to be approximately \$25,000. The university reported this cost can be paid from interest and dividend accounts for present insurance programs.

MOTION: Regent Harris moved to approve Iowa State University's Flexible Fringe Benefit Plan for implementation on or about January 1, 1988. Regent Duchon seconded the motion, and it carried unanimously.

PROPOSED REGENTS MERIT SYSTEM RULE REVISION. The Board Office recommended the Board approve revisions to the Regents Merit System rules.

The proposed addition to Rule 3.26, Administration of the Classification Plan, would preempt classification reviews initiated by employees and departments when those classes are being studied as part of a cyclical review initiated by the Merit System Director.

The proposed changes to Merit Rules concerning Pay on Demotion, Duration of Eligibility Lists, and Reduction in Force will make those rules governing non-organized supervisory and confidential merit employees consistent with the negotiated agreement covering employees in collective bargaining units.

Proposed changes in the maximum times for Emergency and Temporary Appointments from hours in any twelve-month period to hours in a fiscal year will facilitate administration and reflect current practice.

Director Wright stated three general categories were recommended for change: 1) changes required by collective bargaining, 2) changes allowing the Board Office to conduct a review of 25 percent of the employees' classifications each year, and 3) changes the institutions felt necessary for temporary part-time positions. He said the institutions agreed with the proposed changes.

MOTION: Regent Williams moved to approve revisions to the Regents Merit System rules as

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presented. Regent Duchen seconded the motion, and it carried unanimously.

APPOINTMENT OF DR. C. JOSEPH GIANGRECO AS SUPERINTENDENT EMERITUS. The Board Office recommended the Board of Regents approve the appointment of Dr. C. Joseph Giangreco as Superintendent Emeritus, Iowa School for the Deaf.

Dr. Giangreco retires as Superintendent of the Iowa School for the Deaf effective July 31, 1987. He has been superintendent of the school for 23 years. In recognition of Dr. Giangreco's long and distinguished service to the deaf community as an educator, it was recommended that he be designated Superintendent Emeritus.

MOTION: Regent Duchen moved to approve the appointment of Dr. C. Joseph Giangreco as Superintendent Emeritus, Iowa School for the Deaf. Regent Tyler seconded the motion, and it carried unanimously.

APPOINTMENTS TO COMMITTEES AND ORGANIZATIONS. The Board Office recommended the Board approve the following appointments:

- A) Appoint Regent John M. Greig to the Iowa Coordinating Council for Post-High School Education for a term expiring July 31, 1989, formerly held by Regent James Tyler.
- B) Appoint Dr. William Johnson as ex officio member to the Iowa School for the Deaf Advisory Committee.
- C) Appoint Dennis Thurman as ex officio member to the Iowa Braille and Sight Saving School Advisory Committee.
- D) Reappoint Dr. Marion R. Thompson, Dr. Virgil Lagomarcino and Dr. Kenneth Moll as members to the Iowa School for the Deaf and Iowa Braille and Sight Saving School Advisory Committees for a term of 1987-1989.

Regent James Tyler indicated a desire to resign as a member of the Iowa Coordinating Council for Post-High School Education for the term expiring July 31, 1989. President Marvin Pomerantz recommended that Regent John Greig be appointed to the vacancy.

Appointments to the advisory committees of the two special schools were routine appointments to replace Dr. Giangreco and Ms. Young. The reappointments of Drs. Thompson, Lagomarcino and Moll were to adjust for terms that are expiring.

A list of Board members and their assignments to committees and organizations follows:

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BOARD MEMBERS' CURRENT COMMITTEE ASSIGNMENTS

July 1987

Charles Duchon

Iowa Coordinating Council for Post-High School Education (alternate for Mary Williams) (expires 7/31/87)
Iowa Public Broadcasting Board (expires 6/30/88)
Iowa State Alumni Achievement Fund Board of Trustees (expires 7/30/90)
Iowa State Research Foundation Board of Directors (expires 6/30/90)
Regent ad hoc Banking Committee, continuing

John R. Fitzgibbon

Regent ad hoc Banking Committee, Chair, continuing

John M. Greig

Iowa Coordinating Council for Post-High School Education (expires July 31, 1989)

Percy G. Harris

Iowa Coordinating Council for Post-High School Education (alternate for John Greig) (expires 7/31/89)
University of Northern Iowa Foundation (expires 6/30/90)
University of Iowa Research Foundation (expires 9/30/89)

Marvin A. Pomerantz

Iowa State University Foundation Board of Governors, ex officio
Iowa Centennial Memorial Foundation, ex officio
Regent ad hoc Banking Committee, ex officio

James R. Tyler

Regent ad hoc Banking Committee, continuing

Jacklyn Van Ekeren

Iowa State University Memorial Union Board of Directors (expires 7/31/89)
Iowa State University Achievement Foundation (expires 1989)
Iowa Coordinating Council for Post-High School Education (alternate for Bass Van Gilst) (expires 7/31/89)

Bass Van Gilst

Regent ad hoc Banking Committee, continuing
Iowa Coordinating Council for Post-High School Education (expires 7/31/89)

Mary C. Williams

Iowa Coordinating Council for Post-High School Education (expires 7/31/90)

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ACTION: President Pomerantz stated the Board approved the following appointments by general consent: A) Appoint Regent John M. Greig to the Iowa Coordinating Council for Post-High School Education for a term expiring July 31, 1989 formerly held by Regent James Tyler; B) Appoint Dr. William Johnson as ex officio member to the Iowa School for the Deaf Advisory Committee; C) Appoint Dennis Thurman as ex officio member to the Iowa Braille and Sight Saving School Advisory Committee; and D) Reappoint Dr. Marion R. Thompson, Dr. Virgil Lagomarcino and Dr. Kenneth Moll as members to the Iowa School for the Deaf and Iowa Braille and Sight Saving School Advisory Committees for a term of 1987-1989.

NEXT MEETINGS.

The schedule of future meetings of the Board of Regents is listed below. There were no changes in the schedule since last month.

August	NO MEETING	
September 16-17	University of Iowa	Iowa City
October 21-22	Iowa State University	Ames
November 11-12	University of Northern Iowa	Cedar Falls
December 9-10	Iowa School for the Deaf	Council Bluffs
January 20, 1988	Iowa State University	Ames
February 17-18	Des Moines	
March 23-24	Des Moines	
April 19	University of Iowa	Iowa City
April 20	Iowa Braille & Sight Saving School	Vinton
May 25-26	University of Northern Iowa	Cedar Falls
June 22-23	Iowa State University	Ames
July 13-14	University of Iowa	Iowa City

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

ADVANCE NOTICE OF ISSUES TO BE CONSIDERED BY THE BOARD: TUITION POLICY FOR 1988-89, SEPTEMBER 16-17, 1987.

Mr. Richey stated tuition policy for 1988-89 will be considered by the Board on September 16-17, 1987. He said there will be an installation meeting and ceremony for Dennis Thurman on September 12, 1987, 1:00 p.m., on the Iowa Braille and Sight Saving School campus. He said the Board was strongly encouraged to be attend.

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

no 32

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, July 8, 1987.

REGISTER OF PERSONNEL CHANGES.

ACTION: President Pomerantz stated the university's Register of Personnel Changes was deferred until the September meeting of the Board of Regents.

APPOINTMENTS. The Board Office recommended the Board approve appointments, as follows:

1. GEORGE R. NEUMANN, Chair of the Department of Economics, College of Business Administration, effective August 14, 1987, for a term of three years, at an academic year salary of \$73,500;
2. VALDEAN LEMBKE, Chair of the Department of Accounting, College of Business Administration, effective August 1, 1987, for a term of three years, at an academic year salary of \$64,000;
3. CATHERINE RINGEN, Chair of the Department of Linguistics, College of Liberal Arts, effective August 24, 1987, for a term of three years, at an academic year salary of \$35,200; and
4. ALAN G. GOODRIDGE, Professor and Head, Department of Biochemistry, College of Medicine, effective September 1, 1987, for an indefinite term, at a fiscal year salary of \$96,400.

President Remington stated that in addition to the appointments contained in the docket books, the university requested the following additional appointments:

5. In accordance with Section 20.198 of the University of Iowa Operations Manual, approval was requested to designate JAMES O. FREEDMAN, sixteenth President of the University of Iowa, as President Emeritus, effective July 1, 1987;
6. FREDRICK WOODARD, Acting Director of the Museum of Art, effective August 1, 1987, at a fiscal year salary of \$69,500;

7. LEONARD FELDT, Chair of the Division of Psychological and Quantitative Foundations in the College of Education, for a three-year term effective July 8, 1987, at an academic year salary of \$86,000; and
8. D. RICHARD EMERSON, Director of Alumni Services, effective August 17, 1987, at an annual salary of \$65,000.

MOTION: Regent Fitzgibbon moved approval of the appointments and supplemental appointments as presented. Regent Harris seconded the motion, and it carried unanimously.

PROFESSIONAL AND SCIENTIFIC CLASSIFICATION CHANGES. The Board Office recommended the Board approve the following changes in the university's classification and compensation system for professional and scientific staff:

<u>Title</u>	<u>From Grade</u>	<u>To Grade</u>
Information Director University Hospitals & Clinics	15 (\$38,620-\$62,375)	16 (\$41,795-\$67,620)
Director of Pharmacy University Hospitals & Clinics	15 (\$38,620-\$62,375)	16 (\$41,795-\$67,620)
Associate Director, Financial Management & Control, University Hospitals & Clinics	14 (\$35,680-\$57,635)	15 (\$38,620-\$62,375)
Associate Director for Utilities Physical Plant	14 (\$35,680-\$57-635)	15 (\$38,620-\$62,375)
<u>New Classes</u>		<u>Pay Grade</u>
Associate Director for Engineering, Physical Plant		15 (\$38,620-\$62,375)
Associate Director of University Relations		13 (\$32,975-\$53,735)

The university reported that the new class of Associate Director for Engineering was proposed to provide a highly-qualified maintenance engineer to direct the technical support division in the Physical Plant Department. Duties will include work that is now performed by outside consultants.

The new classification of Associate Director of University Relations was proposed to provide general assistance to the Director and to direct day-to-day operations. The university reported that under the recently-appointed Director of University Relations and Assistant to the President the department is being reorganized and redefined. The proposed position will

enable the Director to devote more effort to a broader range of planning and related activities.

Pay grade assignments of the proposed new and changed classifications were determined by application of the university's point evaluation system and funding is available from existing resources.

Associate Vice President Small stated the classification changes resulted from the university's continuing effort to make annual adjustments upon review of the organization in the university hospital and physical plant, and recognizes reorganization in the Department of University Relations. She said the point count system was a system devised to deal with the relative value of certain positions. The university adopted the point count system in the middle 1970s as a proprietary system.

President Pomerantz asked how often the university reviews organizational structure.

Associate Vice President Small responded it is an ongoing effort. The system was installed in the middle 1970s and was reviewed by an outside consultant in the early 1980s as a result of the comparable worth mandate. Two years ago the system was again reviewed by an outside consultant.

MOTION: Regent VanEkeren moved approval of the changes in the university's classification and compensation system for professional and scientific staff as presented. Regent Williams seconded the motion, and it carried unanimously.

REVISION TO ACADEMIC CALENDAR, SUMMER 1988.

Vice President Moll stated that last month the Board approved the university's academic calendar; however, there was an error in the summer session schedule which did not allow a day for registration. The Board had approved the calendar in June which had the 1988 summer session beginning of classes on Monday, June 13. The university requested that June 13 be a registration day and that classes begin June 14. The university requested approval of the academic calendar, as revised.

MOTION: Regent Williams moved approval of the academic calendar, as revised. Regent Harris seconded the motion, and it carried unanimously.

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

The university submitted two new projects for approval by the Board.

Engineering Research Facility \$2,190,000
Source of Funds: General University Building Repairs
and Treasurer's Temporary Investments

This project involves the remodeling of the building at 324 South Madison Street. The property consists of a former auto parts supply store that was acquired by the University of Iowa Facilities Corporation in April 1986 for \$515,000. The acquisition of the property is financed by a commercial loan with the loan to be amortized by the university through annual payments of \$70,000 for five years and a balloon payment of \$300,000. The property was acquired to alleviate a severe shortage of research space for the College of Engineering. The building is in sound structural condition and is conveniently located near the College of Engineering building.

In September 1986 the Board authorized the university to proceed with project planning and to select the project architect. The university recommended the appointment of Brooks, Borg & Skiles, Des Moines, Iowa. The university negotiated an agreement with the architectural firm for a fee not to exceed \$170,034. The fee is 7.7 percent of the \$2.2 million project budget.

The completed project will provide eight general research labs for Environmental Engineering Research staff, engineering offices, computer processing rooms and administrative rooms for the Center for Computer-Aided Design. Relocation of the Center for Computer-Aided Design to the Engineering Research Facility after its renovation will vacate space in the Engineering Building.

University Hospitals and Clinics
High Field MRI System Installation \$957,135

This project involves renovation of 3,212 square feet of space necessary to install a high field strength magnetic resonance imaging system adjacent to the Magnetic Resonance Imaging Center in Colloton Pavilion. The project will expand the capabilities of the Center and enable the hospital to overcome lengthy delays in service.

The project will construct an imaging room to house the new magnetic imager, computer and control rooms and expand existing viewing and support rooms. The construction work involves interior partitions, installation of magnetic and resonant frequency shielding, and installation of mechanical, ventilation and electrical support systems. The high cost of the construction is due to the use of specialized building materials and techniques required in order not to interfere with the magnetic imaging system. A shell of copper and steel will shield the magnet from radio and magnetic interference.

A "certificate of need" was awarded by the State Health Facilities Council on May 14, 1987 for this project. Source of funds are University Hospital Building Usage Funds.

The university requested approval of Hansen Lind Meyer, Inc. Iowa City, Iowa, as project architect. The firm served as project architect on the initial magnetic resonance imaging system in the Colloton Pavilion. The agreement with the design consultants is not to exceed \$54,980. The design fee represents 5.7 percent of the project.

Regent Duchen asked how the university determined the amount of money and the particular firm for this project.

Assistant to the Vice President Davis responded that Hansen Lind Meyer, Inc., has been involved throughout the project. She said that in preparing for this type of project the university prefers to utilize the services of firms that are familiar with the facility.

Associate Vice President Small stated the current facility is already being used at its maximum capacity; therefore, this project is to meet the existing demand. Since this is a project on a health care facility, she said it was crucial that there not be delays in completing the project.

Regent Duchen asked whether the same size project could have been accomplished at a lesser cost. He said that since there is a perception that the industry is struggling he hoped the university was taking advantage of the competitive environment.

Associate Vice President Small stated the university negotiated a competitive fee in the selection of an architect.

President Pomerantz stated that one of the issues on the list of priorities for the Board of Regents is the selection of architects.

The university presented revised budgets on seven projects and eight new projects with budgets of less than \$250,000. The title, source of funds, and estimated budget for each of these projects was listed in the capital register prepared by the university.

The university requested approval of consultant agreements on five projects:

<u>Engineering Research Facility</u>	<u>\$170,034</u>
Brooks, Borg & Skiles, Des Moines, Iowa	

The university requested approval of this firm to provide architectural services on this project. In September 1986 the Board authorized the university to administratively select an architect for this project from among firms known to be capable of handling the project and that expressed interest in working for the university. The fee is 7.7 percent of the project and is reasonable for a project of this type and size.

University Hospitals and Clinics
Neuroradiology Procedure Suite \$72,670
Hansen Lind Meyer, Inc., Iowa City, Iowa

The university requested approval of Hansen Lind Meyer, Inc., Iowa City, Iowa, to provide design services for the project. The project will finish approximately 7,500 square feet of shelled-in space.

The fee is 5.5 percent of the project which the Board Office stated is reasonable for a project of this size. In May 1987 the Board approved the project with a budget of \$1.3 million. Source of funds is University Hospitals Building Usage Funds.

University Hospitals and Clinics
High Field MRI System Installation \$54,980
Hansen Lind Meyer, Inc., Iowa City, Iowa

The hospital was authorized to make an architectural recommendation from among firms known to be capable of handling the project because the project budget is less than \$1 million. The fee is 5.7 percent of the project. The Board Office stated the fee is reasonable for projects of this type.

Campus Planning Services \$36,000
Thomas Hodne Architects, Inc., Minneapolis, MN

The university requested approval of Thomas Hodne Architects, Inc., for campus planning services. The university has used this firm since 1972 to provide campus planning services. The proposed agreement is for an hourly fee similar in form to previous contracts and the total annual compensation will not exceed \$36,000.

The firm was utilized on two projects during the past fiscal year. The projects included the Hospital Loading Dock project and site selection of the Laser Laboratory Building.

Burge Hall--Chiller Replacement and Primary Electrical
Renovation \$24,989
Engineering Associates, Inc., Cedar Rapids, Iowa

The university requested approval of Engineering Associates to provide engineering services for this project. The firm conducted the feasibility study for the Chiller Replacement project. The firm will provide design services for both the Chiller Replacement project and the primary electrical renovation. The Board approved the primary electrical renovation project in May 1987 with a budget of \$379,500. The Board in June approved a project budget for the chiller replacement portion of the project.

Amendments:

Recreation Building--Structural Repair Increase \$65,000
Wiss, Janney, Elstner Associates, Inc., Northbrook, IL

The university requested approval of Amendment #1 to the consultant agreement on this project. The consultant agreement for design services was approved by the Board in September 1986. The fee was \$116,000.

The firm investigated the structural problems of the facility and has since completed the design work on the repair project. The firm specializes in the analysis and repair of failed structures.

The additional services relate to professional services provided during the construction phase, including shop drawing review, field observation and engineering services during construction.

The project involves removal of the roof deck in several locations, replacement or repair of laminated beams and installation of new decking and a single-ply roofing system. In addition, the project involves reinforcing the sidewall to improve resistance to the outward forces of the roof's system. The project budget approved by the Board in March 1987 is \$2.4 million.

Source of funds for the project is recreation building bond fund reserves, Treasurer's Temporary Investment and University of Iowa Foundation or Men's Intercollegiate Athletic Department revenues.

Regent Tyler asked whether the \$65,000 was in addition to the \$116,000.

Assistant to the Vice President Davis responded that it was an additional charge. She said that when the consultants were hired they did the best job they could with respect to assessing the damage to the Recreation Building. However, they did not guarantee they would find all the damage because in order to perform that kind of assessment they would have to do further destruction to the building. She said they found additional deterioration upon completion of the design work.

Regent Tyler asked whether the Attorney General had been apprised of the problem with the Recreation Building.

Assistant to the President Mears stated a conference was scheduled to discuss the status of the litigation and to complete discovery. She said there had been good communication between the architect and engineers in terms of getting the damages totaled.

Regent Tyler asked when the university anticipated the facility would be available for use again. Assistant to the Vice President Davis responded it should be available between December and January.

The following construction contract was referred to the Board for action:

University Hospitals and Clinics--Staff Dining and
Patient Solarium
Reject all Bids

(1 bid received)

This contract was referred to the Board because only one bid was received and the bid exceeded the approved budget for the project. The project involves enclosing space on the seventh floor of the Carver Pavilion for a new staff dining room. The additional dining facilities are needed to handle the large number of meals served in the hospital to patients, visitors and staff.

In February 1987 the Board approved Hansen Lind Meyer, Inc., Iowa City, Iowa, as project engineer. The budget for the project is \$897,050. Because the construction bid exceeded the project budget, the university will work with the engineer to redesign some components of the project. The project will be re-bid at a later date. The university will work with the architect to ensure that additional bidders are encouraged to participate when the project is re-bid.

Because the one bid exceeded the available budget, the university requested that the Board reject all bids.

Regent Fitzgibbon asked why there was such limited interest in the project.

Assistant to the Vice President Davis responded that the university was not sure why there was only one bid. The university wants to have the architect rework the bid.

Director True stated the architect will make sure, as much as possible, that the university receives more than one bid when the project is re-bid. He said that it is not unusual to receive limited bids on projects that require a combination of skills. There are not many contractors possessing that combination of skills. He said the project may need to be bid separately.

Telecommunications System Project

Universal Communications Systems, Inc., Roanoke, VA

Change Order #12--Deduct \$45,621
Change Order #13--Add \$44,182

The university requested approval of two change orders on the Telecommunications System Project. Change Order #12 provides for a reduction in the cost of the project resulting from a compilation of 14 change items.

The items include credits for unneeded telephone instruments and a credit for using university steam tunnels. The change order also includes charges for additional equipment, such as maintenance boards, trunk lines, printers and operator headsets. The net impact of Change Order #12 is a \$45,620 reduction.

Change Order #13 is a closeout change order for the Hospital Telecommunications System and is a compilation of 20 separate items. The items include credits for deleting unnecessary conduits and deleting computer protocol conversion options. Other items included in Change Order #13 are increased back-up battery capacity, a back-up tape drive and paging interface equipment.

The new net amount of the Universal Communications contract, including Change Orders #12 and #13, is \$14,683,787.01. The original amount of the contract was \$15,076,172.

The university reported acceptance of construction contracts on two completed projects. The projects are the Quadrangle Residence Hall Pharmacy Offices and University Hospitals and Clinics--Domestic Water Pipe Replacement, South Wing. Inspections found that the contractors complied with the plans and specifications. The university recommended that work on the projects be accepted as complete.

MOTION: Regent Harris moved approval of the university's capital register. Regent Ducheneau seconded the motion, and it carried unanimously.

LEASE OF PROPERTY. The Board Office recommended the Board approve leases for the benefit of the university as follows:

- (a) DRAKE UNIVERSITY, Des Moines (tenant, renewal) for the university's use of approximately 3,110 square feet of classroom and office space in the frame house at 1151--28th Street, Des Moines, from July 1, 1987, to June 30, 1988, as a part of an annual fee of \$19,400 for the use of the space, facilities, equipment, and services; and
- (b) STATE OF IOWA, AUDITOR'S OFFICE (landlord, new) for their use of approximately 353 square feet of space, Room 105M, in Oakdale Hall, Oakdale Campus, for two years commencing August 1, 1987, at an annual rent of \$3,000, including utilities and services.

DRAKE UNIVERSITY -- The facility is needed to enable the University of Iowa to offer appropriate work for graduate students in central Iowa who are pursuing a Master's Degree in social work. The lease provides for the use of classrooms and office space, library privileges, equipment, facilities, janitorial services, utilities, and other services at Drake for the use of the University of Iowa Social Work Center, its students and staff. The cost of providing

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these services and facilities is being increased by 5.4 percent over the cost approved by the Board for the 1986-87 year.

STATE OF IOWA, AUDITOR'S OFFICE -- The Auditor's office needs this space for general office purposes. The university is prepared to lease the space for \$8.50 per square foot per year. The lease is for two years and includes utilities and services furnished by the university.

Associate Vice President Small stated the Drake University lease was a renewal and the State Auditor's Office lease was a new lease for space at Oakdale Hall.

Regent VanGilst asked whether the Auditor's Office has full-time staff working on the university campus.

Associate Vice President Small responded that the University of Iowa has a resident State Auditor.

Regent VanGilst asked where the full-time auditor's office was located prior to the proposed lease of university property.

Associate Vice President Small responded that the Auditor's Office has space in Jesup Hall but it was her understanding the proposed lease was for space for additional auditors.

Regent VanGilst asked if Iowa State University also has space on its campus for the State Auditor's Office, and what the purpose was for having auditors on campus.

Vice President Madden stated the auditors work on the campus and within the city of Ames.

MOTION:

Regent Williams moved to approve leases for the benefit of the university as follows: (a) DRAKE UNIVERSITY, Des Moines (tenant, renewal) for the university's use of approximately 3,110 square feet of classroom and office space in the frame house at 1151--28th Street, Des Moines, from July 1, 1987, to June 30, 1988, as a part of an annual fee of \$19,400 for the use of the space, facilities, equipment, and services; and (b) STATE OF IOWA, AUDITOR'S OFFICE (landlord, new) for their use of approximately 353 square feet of space, Room 105M, in Oakdale Hall, Oakdale Campus, for two years commencing August 1, 1987, at an annual rent of \$3,000, including utilities and services. Regent Harris seconded the motion, and upon the roll being called, the following voted:

AYE: Duchen, Fitzgibbon, Greig, Harris,
Pomerantz, Tyler, VanEkeren, VanGilst,
Williams.
NAY: None.

TENANT PROPERTY RENTALS 8/15/87 THROUGH 6/30/88. The Board Office recommended the Board approve the schedule of monthly rental rates for residences, apartments, rooms, preschool, and day-care centers for the period August 15, 1987, to June 30, 1988. The schedule of rental units and rates is on file in the Board Office and at the university.

The university owns these properties, comprising 129 units, to assist it in meeting present university program needs and to meet anticipated program needs. The university rents the properties at fair market value, with exception of the preschool, day-care centers, and student senate co-op units for which the rental is intended to cover only average repair and maintenance costs consistent with the university's interest in the respective activities. The university reviewed a City of Iowa City survey of rental properties and determined that rent increases in some units were appropriate. The average rent on these properties will increase 10.7 percent according to the university. Some units will increase by as much as 17 percent and some will not increase at all.

The university reported that two properties have been removed from the tenant rental list that were included last year. Those properties are 421 South Capitol Street, which was razed, and apartment #5 in 415 South Capitol Street. This latter unit is considered to be too deteriorated for rental in its present condition. Apartment #6 in this same building was withdrawn from the market several years ago for the same reason. The university reported that it would not be cost effective to bring these units to market condition as it is anticipated the university will seek the Board's permission to raze the building before the cost of repairs could be recovered.

The university reported it is changing its timetable for these monthly rentals to correspond to the fiscal year.

Associate Vice President Small stated the university rents a variety of residences, primarily to individuals affiliated with the university.

Regent Greig stated the rates were fairly low and asked if they reflected the current market.

Associate Vice President Small responded the rates were not inconsistent with the current market.

MOTION:

Regent Harris moved to approve the schedule of monthly rental rates for residences, apartments, rooms, preschool, and day-care centers for the period August 15, 1987, to

June 30, 1988. Regent Williams seconded the motion, and upon the roll being called, the following voted:

AYE: Duchen, Fitzgibbon, Greig, Harris, Pomerantz, Tyler, VanEkeren, VanGilst, Williams.

NAY: None.

FINAL BUDGET - 1987-88. The Board Office recommended the Board (1) Approve the University of Iowa general program operating budgets for fiscal year 1988 as follows:

General University	\$212,400,617
University Hospitals and Clinics	174,314,400
Psychiatric Hospital	9,697,643
Hospital School	5,432,443
Oakdale Campus	2,882,653
Hygienic Laboratory	3,531,052
Family Practice	1,536,556
Specialized Child Health Services (Cancer, Hemophilia, High Risk Infant)	<u>512,303</u>
TOTAL	\$410,307,667

- (2) Receive an oral report from the University of Iowa on new program initiatives and program reductions resulting from its internal reallocation process and on its use of Improving Educational Quality appropriations;
- (3) Require that the university provide a report to the Board in December 1987 on its use of Improving Educational Quality appropriations and on the distribution of new faculty positions among academic departments; and
- (4) Approve the final budget for the university residence system for fiscal year 1988 with budgeted operating expenditures of \$16,740,972.

The proposed final operating budgets differ from the preliminary budgets approved by the Board in May only in the accommodation of small reductions in funding for comparable worth adjustments. Highlights of the final budget proposals include:

- * Average salary increases for continuing faculty of approximately 11 percent, with all faculty salary increases based on merit.
- * Average professional and scientific staff salary increases of seven percent.
- * General service staff salaries increased by two percent plus merit step increases and comparable worth adjustments.

- * Improving Educational Quality appropriations of \$1.7 million allocated as follows:

\$1,000,000	Maintaining the Quality of Basic Health Science and Medical Education
\$528,220	Strengthening Undergraduate Education
\$250,000	Strengthening Library Resources and Services

- * Continuation of the university's phased reallocation plan generating over \$2 million in funds for academic program initiatives in fiscal year 1988. New activities supported by reallocation funds will be discussed by the university.
- * Faculty positions added (or general fund support increased) through internal reallocation or the use of Improving Educational Quality appropriations in the Colleges of Business Administration, Dentistry, Education, Engineering, Liberal Arts, Medicine and Pharmacy.
- * Increases averaging 10.2 percent in collegial instructional budgets.
- * Tuition revenues to the general fund of \$61.1 million with increased revenues helping to fund faculty salary increases and increased student aid.
- * Rate increases for the statewide health service units as approved by the Board in May.
- * Appropriations support representing only 15.3 percent of the total operating budget for the University Hospitals and Clinics, despite a projected indigent patient census of 16.0 percent.
- * A projection of total Restricted Funds expenditures of approximately \$252.4 million, including federal funds, nonfederal gifts and grants, sales and services, other income and bond revenue proceeds.

President Remington stated that one major item he wished to call to the Board's attention was the university's reallocation program. He said the mechanics of the program are as follows.

In the fall of each year a series of meetings are held with deans of the Academic Colleges. The collegiate deans present proposals for giving up three percent of their base budgets. This year the reallocated funds amount to roughly \$2 million which is put into a pool for reallocation. The deans are given an opportunity during the new budget cycle to propose new projects to be funded with the reallocated money. The deans meet to review and

discuss proposals for use of the reallocated funds, keeping in mind that not all proposals are accepted for funding. At the conclusion of these meetings they have identified a list of items to be funded through reallocation.

President Remington stated that for the second year the Iowa Fellows Program will be funded with reallocated dollars. He said this program makes the University of Iowa competitive for the best Ph.D. students in the country. Recipients of the Iowa Fellows Program receive benefits for four years. The first year is full financial support; during the second and third years students have certain duties they must perform for the university; and the fourth year, again, is full fellowship support. Additionally, students receive full fellowship support during each of the summers. President Remington stated the university did not know how attractive and competitive its fellows program would be until it was initiated. He said the university wanted to compete with other Big Ten institutions but found it attracted students from all over the country. During the first year the university attracted twenty Iowa Fellows recipients who are outstanding doctoral candidates. He stated that \$250,000 would be reallocated in each of four years to provide a \$1 million base. President Remington stated the university was proud of its effort to strengthen its Ph.D. program by the initiation of the Iowa Fellows Program and that it would not have been possible without reallocation.

President Remington noted another area where reallocated funds were applied was in the strengthening of the College of Liberal Arts. Areas strengthened include: expansion of visiting faculty positions in the Writer's Workshop, strengthening of the science curriculum in the Unified Program that provides special opportunities for students to meet basic general education requirements, strengthening of the interdisciplinary undergraduate program in Literature, Science and the Arts, expansion of the education and research program in the area of film studies, the establishment of the Institute for Social Science Research, and the addition of up to six junior faculty positions to strengthen central programs. In the Writer's Workshop, the university plans to enhance the stipends paid in order to attract the most creative writers as visiting faculty. The creation of the Institute for Social Science Research will bring together a number of elements of the university population.

President Remington said that in the College of Dentistry the university will be initiating an implantology program which will put Iowa into a leadership position nationally in this rapidly-developing and important field. He said this project was particularly exciting as a new approach to dental restoration. The University of Iowa is one of two or three colleges in the entire country studying dental implantology. He said that although Sweden is also studying this new approach it is still in the developmental stages. The university will also be strengthening the Special Care Clinic program which focuses on education and research related to dental problems and care for the elderly.

President Remington reported the university will expand and strengthen the cooperating teachers program in the College of Education which will greatly improve the opportunity for practice teaching experience. The university will be increasing funding and support to make the Institute of Hydraulic Research more competitive, including the creation of a new faculty position in the area of chemical and materials engineering which is central to further development in the biochemical engineering area.

President Remington stated the university hopes to link the activities in the medical and dental fields. He said increased funding for the College of Medicine will help create new faculty positions in the areas of preventive medicine and microbiology, enhance development of a program in medical ethics, and establish the basic support services for education and research activities in the Human Biology Research Facility.

President Remington asserted that the university's library staffing has slipped. He said reallocated dollars will add some positions. The Law Library was previously closed on weekends but through the assistance of reallocation will soon be extending its hours to include weekends. He added that a new faculty position will be added in the College of Pharmacy in the area of pharmaceutical socioeconomics.

President Remington stated that only by finding areas for reallocation and setting priorities is the university able to develop new and exciting programs like the ones he mentioned.

Regent Duchen asked how the university identifies persons to participate in research activities in the Human Biology Research Facility.

President Remington said that most of the people are recruited from outside the university. He said that since funding has now been identified the university will begin to identify individuals to participate in the research next year.

Regent Duchen asked whether the persons would be solely for research activities or whether they would also be involved at the classroom level.

President Remington responded there are two levels of involvement. Part of the funding is for staff support and the other involves the use of this space in an interdisciplinary sharing of resources.

Regent Duchen asked what the mission of the interdisciplinary human biology program was.

President Remington responded it was a research facility in which faculty in the College of Medicine and other departments will now be able to pursue their research activities vigorously and in ways which were not possible with existing facilities.

MOTION:

Regent Harris moved to (1) approve the University of Iowa general program operating budgets for fiscal year 1988 as presented for a total of \$410,307,667; (2) receive the oral report from the University of Iowa on new program initiatives and program reductions resulting from its internal reallocation process and on its use of Improving Educational Quality appropriations; (3) require that the university provide a report to the Board in December 1987 on its use of Improving Educational Quality appropriations and on the distribution of new faculty positions among academic departments; and (4) approve the final budget for the university residence system for fiscal year 1988 with budgeted operating expenditures of \$16,740,972. Regent Williams seconded the motion, and it carried unanimously.

APPROVAL OF ACADEMIC BUILDING REVENUE BOND RESOLUTION. The Board Office recommended the Board adopt a "Resolution authorizing the Executive Secretary to fix the date or dates for the sale of up to \$6 million Academic Building Revenue Bonds, Series S.U.I. 1987A."

The Board was asked to take action to set in motion the proposed sale in September of up to \$6 million in Academic Building Revenue Bonds for the University of Iowa.

This year the Governor and General Assembly approved a resolution permitting the sale of \$25.1 million in Academic Building Revenue Bonds for two projects at the University of Iowa. Senate Concurrent Resolution 35 authorized the Laser Laboratory project and the International Center (Old Law Center) remodeling. Up to \$6 million of the University of Iowa bonds will be issued through this sale, with the balance to be issued next year.

The University of Iowa bonds to be sold in September will be issued as part of a combined sale with Academic Building Revenue Bonds for Iowa State University and the University of Northern Iowa. The size of issues for each of the universities will be between \$5 million and \$6 million. The exact amount of bonds to be issued will be established by the Executive Secretary with the approval of the Board President, and in consultation with the university and the Board's financial advisor. The issue size will be set based upon the cash flow requirements on the two construction projects and the expected date of the next Academic Building Revenue Bond sale for the University of Iowa. The issue size will also take into account the size of issues planned for Iowa State University and the University of Northern Iowa which are scheduled for September.

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Associate Director Runner stated this is the first set of resolutions leading to a joint sale in November with University of Northern Iowa and Iowa State University.

MOTION:

Regent Tyler moved to adopt a "Resolution authorizing the Executive Secretary to fix the date or dates for the sale of up to \$6 million Academic Building Revenue Bonds, Series S.U.I. 1987A." Regent VanGilst seconded the motion, and upon the roll being called, the following voted:

AYE: Duchen, Fitzgibbon, Greig, Harris, Pomerantz, Tyler, VanEkeren, VanGilst, Williams.

NAY: None.

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

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, July 8, 1987.

RATIFICATION OF ACTIONS IN REGISTER OF PERSONNEL CHANGES FOR JUNE 1987. The Board Office recommended the Board approve the Register of Personnel Changes for June 1987.

ACTION: President Pomerantz stated the Board approved the Register of Personnel Changes for June 1987 as a consent item.

APPROVAL OF ADMINISTRATIVE APPOINTMENT. The Board Office recommended the Board approve the appointment of JAMES M. MCCORMICK as interim chair, Department of Political Science, effective July 1, 1987, through June 30, 1988, at an annual salary of \$47,000.

ACTION: President Pomerantz stated the Board approved the appointment of JAMES M. MCCORMICK as interim chair, Department of Political Science, effective July 1, 1987 through June 30, 1988, at an annual salary of \$47,000 as a consent item.

APPOINTMENT OF AFFIRMATIVE ACTION OFFICER. The Board Office recommended the Board approve the appointment of CHARLES L. SAMUELS as university Affirmative Action Officer for fiscal year 1988.

ACTION: President Pomerantz stated the Board approved the appointment of CHARLES L. SAMUELS as university Affirmative Action Officer for fiscal year 1988 as a consent item.

APPROVAL OF INSTITUTE NAME CHANGE. The Board Office recommended the Board receive the report on the renaming of the Energy and Mineral Resources Research Institute (EMRRI) to the Institute for Physical Research and Technology (IPRT).

Iowa State University requested a new name, the Institute for Physical Research Technology, for the existing Energy and Mineral Resources Research Institute to reflect its changed functions. The purpose of the institute is to conduct applied research in the areas of new materials and physical instrumentation, aimed at developing selected basic research findings believed to have commercial potential. A particular objective is to generate

new small businesses, especially in the Northern Great Plains and particularly in Iowa.

The Board's policy on centers and institutes is that all centers and institutes which will require more than \$25,000 of institutional funds for their operating budget are required to seek specific Board approval. The Board Office stated it appeared this research institute will not require any institutional contribution. All funds will be provided by the Department of Commerce.

ACTION: President Pomerantz stated the Board received the report on the renaming of the Energy and Mineral Resources Research Institute (EMRRI) to the Institute for Physical Research and Technology (IPRT) by general consent.

CAPITAL IMPROVEMENTS BUSINESS TRANSACTIONS. The Board Office recommended the Board (1) approve the capital register and (2) approve the request to raze Bevier House.

The university submitted a project to demolish a building and revised budgets on two projects previously approved by the Board.

Raze Bevier House \$8,150
Source of Funds: Building Repair Fund or Income from
Treasurer's Temporary Investments

The project involves demolition of the Bevier House, an 1888 wood frame structure. The 4,800 square foot structure is badly deteriorated and is in need of roof and structural repairs. Major improvements would be required in order to meet life safety codes. The house has been used as office space by Extension Service personnel. Those personnel have been relocated or no longer require office space.

The university presented changes on two capital project budgets for the Board's approval. These projects were previously approved by the Board.

College of Home Economics Addition \$4,450,000
Source of Funds: 71st General Assembly
Academic Revenue Bonds \$4,200,000
ISU Achievement Foundation 250,000
\$4,450,000

The university requested approval of a revised project budget that reflects the Board's allocation of bond funds. Last month the Board approved an allocation of \$4.2 million in Academic Building Revenue Bond proceeds for this project. The remaining funds are provided by the Iowa State University Achievement Foundation.

The Board approved a preliminary budget for this project in February 1986 of \$4,150,000.

* * *

The university presented a progress report on the planning for the Recreation/Athletic Facility. Bussard Dikis and Associates, the project architects, are beginning preparation of the construction documents. It is anticipated that the project will be bid in March 1988.

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

Site preparation work has begun. The location for the Recreation/Athletic Facility is north of the Iowa State University Center. The site work undertaken this summer is the installation of dirt to raise the elevation of the building above the 100 year flood level. Undertaking the soil work this summer allows the engineered soil platform to settle before construction begins next spring.

The Board approved the project budget of \$13 million in April 1987. Sources of funds are special student activity fees and intercollegiate athletics funds.

<u>ISU Research Park--Phase I</u>		<u>\$4,623,540</u>
Source of Funds:	ISU Achievement Foundation	\$1,400,000
	Iowa Department of Transportation RISE Grant	1,238,000
	Department of Housing and Urban Development Community Development Block Grant	600,000
	Income from Treasurer's Temporary Investments	330,240
	Treasurer's Temporary Investments or 72nd General Assembly Academic Revenue Bonds	750,000
	City of Ames	<u>305,300</u>

This project involves the initial development phase of the Research Park south of the Iowa State University campus. The Research Park will be developed on a 204 acre site east of Elwood Drive and south of U.S. Highway 30. In February the Board approved a \$5.4 million budget for this project. The university presented a revised budget of \$4.6 million to reflect the actual allocation of funds from the various sources. \$600,000 was received from the Department of Housing and Urban Development Community Development Block Grant rather than the \$1 million anticipated. The Iowa Department of Transportation allocated from the RISE Program \$1.2 million rather than the

\$1.5 million anticipated. The RISE Program stands for Revitalize Iowa's Sound Economy. These are road use tax funds that are allocated for economic development purposes. The City of Ames funds were not included in the February budget.

The Board authorized the use of bond proceeds to reimburse up to \$750,000 of institutional funds advanced for the Research Park Development if bond funds are available after award of construction contracts on the Home Economics project, the Molecular Biology Building project and possible other authorized projects to be determined by the Board.

The university presented revised budgets on seven projects and eight new projects.

The university presented two consultant agreements for approval by the Board.

College of Home Economics Addition \$265,000
Brooks, Borg & Skiles, Des Moines, Iowa
(Architectural Services)

This agreement involves preparation of contract documents and construction supervision for the project.

In June 1984 the Board approved the selection of Brooks, Borg & Skiles Architects/Engineers. The firm was selected through required selection procedures. Compensation is based on a multiple of direct personnel expenses with a fixed maximum of \$265,000, including reimbursables. The fee is 5.7 percent of the project cost which the Board Office stated is reasonable for a project of this type and size.

Source of funds for the project is 72nd General Assembly Academic Revenue Bonds and Iowa State University Achievement Foundation funds.

Molecular Biology Building \$30,000
Story Construction Company, Ames, Iowa
(Construction Management Services)

This agreement involves construction management services for the project. The university recommended appointment of a construction manager on the project for several reasons. First, in order to make the construction work available to as many Iowa contractors as possible the project will need to be bid as separate contracts. Use of a construction management firm will provide the university with a single point of responsibility to oversee the construction of the project while avoiding price mark-ups applied by the general contractor. A construction manager would enable the university to expedite the construction schedule by bidding portions of the work before all the construction documents are completed. A construction manager is beneficial and can be cost effective on particularly large, complex construction projects.

The university solicited proposals from Iowa firms capable of providing services for the project. Four firms were interviewed and Story Construction was selected for further negotiations.

The negotiated agreement with Story Construction is for schematic design phase services only. The services include cost consulting, value engineering and schedule assistance.

After completion of the schematic design phase of the project, the university will consider an agreement for the remainder of the pre-construction and construction activities. Source of funds is 72nd General Assembly Academic Building Revenue Bond proceeds.

Utilities--Coal Handling Improvements \$60,000
Sega, Inc., Stanley, Kansas
(Design Services)

The university requested approval of an amendment to the agreement with Sega, Inc., for additional design services associated with the coal unloading facilities at the power plant. The additional services are for design of facilities at the power plant to accommodate receipt of coal delivered by either truck or rail. The project relates to the university's consideration of bids on coal shipped by rail or truck.

The following contract was awarded by the Executive Secretary on behalf of the Board:

Utilities--Replace Steam Generators 1 & 2--
General Construction \$2,712,000
Award to: ACI Mechanical Corporation, Ames, Iowa

Last month the university received Board authorization to negotiate with the low bidder because all bids received exceeded the engineer's estimate for the construction. The contract is one of ten contracts that are part of the \$30.5 million power plant project. The university completed negotiations with ACI Mechanical Corporation. The contractor adjusted prices for the required work. In addition, the scope of the project was reduced by \$400,000. The project engineer indicated the prices are comparable to those that would be received if the project were re-bid. As a result of the negotiations, the university recommended proceeding with the work and awarding the contract to ACI Mechanical.

The university reported acceptance of one completed construction project. Inspections found that the contractor complied with the plans and specifications. The university recommended that the work on the project be accepted as complete.

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MOTION: Regent Fitzgibbon moved to (1) approve the capital register and (2) approve the request to raze Bevier House. Regent Duchen seconded the motion, and upon the roll being called, the following voted:
AYE: Duchen, Fitzgibbon, Greig, Harris, Pomerantz, Tyler, VanEkeren, VanGilst, Williams.
NAY: None.

APPROVAL OF ACADEMIC BUILDING REVENUE BOND RESOLUTION. The Board Office recommended the Board adopt a "Resolution authorizing the Executive Secretary to fix the date or dates for the sale of up to \$6 million Academic Building Revenue Bonds, Series I.S.U. 1987B."

The Board was asked to take action to set in motion the proposed sale in September of up to \$6 million in Academic Building Revenue Bonds for Iowa State University.

This year the Governor and General Assembly approved a resolution permitting the sale of \$37.5 million in Academic Building Revenue Bonds for six projects at Iowa State University. Senate Concurrent Resolution 35 authorized funds to plan, construct and equip the following projects:

- Molecular Biology Building
- Home Economics Building--Phase I
- Meat Irradiation Facility
- Industrial Education Remodeling
- Veterinary Medicine Research Institute Laboratory
- University Research Park Development

Up to \$6 million of Iowa State University bonds will be issued through this sale, with the balance to be issued next year.

The Iowa State University bonds to be sold in September will be issued as part of a combined sale with Academic Building Revenue Bonds for the University of Iowa and the University of Northern Iowa. The size of issues for each of the universities will be between \$5 million and \$6 million. The exact amount of bonds to be issued will be established by the Executive Secretary with the approval of the Board President and in consultation with the university and the Board's financial advisor. The issue size will be set based upon the cash flow requirements on the two construction projects and the expected date of the next Academic Building Revenue Bond sale for Iowa State University. The issue size will also take into account the size of issues planned for the University of Iowa and the University of Northern Iowa which are scheduled for September.

Last month the Board authorized the use of proceeds from the Iowa State University Academic Building Revenue Bond sale scheduled for fall 1987. The

bond proceeds were to finance planning for the projects identified in the bonding resolution and to finance construction on the Home Economics and Molecular Biology facilities. The Board also authorized the use of bond proceeds to reimburse up to \$750,000 of institutional funds advanced for the Research Park Development if bond funds are available after award of construction contracts on the Home Economics project, the Molecular Biology Building project and possible other authorized projects to be determined by the Board.

MOTION:

Regent VanGilst moved to adopt a "Resolution authorizing the Executive Secretary to fix the date or dates for the sale of up to \$6 million Academic Building Revenue Bonds, Series I.S.U. 1987B." Regent Harris seconded the motion, and upon the roll being called, the following voted:

AYE: Duchen, Fitzgibbon, Greig, Harris, Pomerantz, Tyler, VanEkeren, VanGilst, Williams.

NAY: None.

IOWA STATE UNIVERSITY RESEARCH PARK 28E AGREEMENT WITH CITY OF AMES. The Board Office recommended the Board approve the Iowa State University Research Park 28E agreement and authorize the Executive Secretary to execute the agreement on behalf of the Board after securing the necessary approvals for the property transaction.

The university requested Board approval of a 28E agreement describing the arrangements for completing the Iowa State University Research Park among the university, the Iowa State University Achievement Foundation and the City of Ames. The agreement identifies the \$4.6 million in funds budgeted for public improvements to the Research Park site and the \$3.6 million in private funds being sought to construct the first multi-tenant facility on the site.

The agreement was negotiated with the City of Ames and city council action was expected the week of July 6. Under the agreement it is the responsibility of the university and the Iowa State University Achievement Foundation to construct and market research facility sites whereas it is the responsibility of the city of Ames to construct all public improvements with funds identified under the agreement.

The property for the Research Park site located south of the Iowa State University campus is valued at \$869,000 and is principally owned by the Iowa State University Achievement Foundation. A small portion of the site is an abandoned railroad right of way owned by the university. A part of the railroad right-of-way owned by the university is necessary for development of the relocated Airport Road and is to be conveyed to the city of Ames. The remaining railroad right of way on the Research Park site is to be conveyed to the Iowa State University Achievement Foundation.

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Vice President Madden stated the 28E Agreement authorizes intergovernmental organizations to develop and operate the Research Park. He said the agreement implements the funding discussed last month by the Board for the Research Park and continues the agreements worked out by the university.

Vice President Madden stated that through a series of compromises the governmental organizations worked out the responsibilities of each entity. He said the actual public works construction would be done by the city of Ames.

MOTION: Regent VanEkeren moved to approve the Iowa State University Research Park 28E agreement and authorize the Executive Secretary to execute the agreement on behalf of the Board after securing the necessary approvals for the property transaction. Regent Greig seconded the motion, and it carried unanimously.

3M AMORPHOUS SEMICONDUCTOR LABORATORY PROJECT. The Board Office recommended the Board authorize the university to continue to seek funding from appropriate state and private sources for the development of the Amorphous Semiconductor Project by the Iowa State University/3M partnership and that appropriate state sources do not include appropriations from the state general fund.

This is a cooperative project between Iowa State University and 3M to develop thin film photovoltaics for industrial and consumer products. A three-year program and budget was developed. The university indicated the potential end product of the collaboration would be development of production and pilot plant facilities in Iowa. During the three-year program development stage, costs would be shared in accordance with the proposed budget and thirty research and development positions would be funded. Those positions would be split between Iowa State University and 3M facilities in Minnesota.

The Board previously discussed this project when it was considered by the General Assembly late in the 1987 session. The General Assembly ultimately appropriated \$2 million for the project, although the Board had not requested funds for it. It was vetoed by the Governor. The Governor vetoed other appropriations that were structured in this manner.

The university expressed the understanding that the Board was not now considering competitive Lottery research and development proposals and was expected to do so in the fall. The university's request for this project was that it be authorized to seek other state or private funds. Examples cited by the university were other Lottery funds, Product Development Corporation support, competitive Petroleum Overcharge Program funds and Community Economic Betterment Program funds. Many of these sources of funds are

controlled by the Department of Economic Development or the Department of Natural Resources.

The university stated it may request that consideration be given to this project for appropriations funding during the 1988 session. Since this may be a legislative and budget issue, the Board Office recommended that the university seek authorization from the Board before pursuing this project during the next legislative session.

Vice President Madden stated the university brought samples of amorphous silicon's applications which were on display.

Vice President Moore stated 3M was still hopeful that development of the product would take place in the state of Iowa.

MOTION: Regent Harris moved to authorize the university to continue to seek funding from appropriate state and private sources for the development of the Amorphous Semiconductor Project by the Iowa State University/3M partnership and that appropriate state sources do not include appropriations from the state general fund. Regent Greig seconded the motion, and it carried unanimously.

LEOPOLD CENTER - 1987-88 OPERATING PLANS. The Board Office recommended the Board receive the report on plans for the establishment and operation of the Leopold Center for Sustainable Agriculture at Iowa State University.

The Groundwater Protection Act passed by the 1987 session of the General Assembly and signed by the Governor establishes the Leopold Center for Sustainable Agriculture at Iowa State University. The center is to be established in the Agriculture and Home Economics Experiment Station and is to conduct and sponsor research to identify and reduce the negative environmental and socio-economic impacts of agricultural practices.

It is expected that the Leopold Center will receive approximately \$1.9 million in fiscal year 1988, including \$800,000 in Oil Overcharge appropriations and \$1 million from the Agriculture Management Account established within the Groundwater Protection Fund. Allocations of approximately \$1.2 million per year are anticipated in future years.

The Groundwater Protection Act specifies the composition and method of appointment of an Advisory Board for the Center. The act further directs that a director for the Center shall be appointed by the President of Iowa State University from a list of candidates provided by the advisory board.

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Iowa State University reported the first step in establishment of the Center will be the appointment of the advisory board. President Eaton solicited names of nominees from the institutions and agencies designated to appoint members to the thirteen-person board. It is expected that the membership of the advisory board will be determined prior to August 1, 1987.

The next step will be the appointment of a Director (Professor-in-Charge) for the Center. The appointment is to be made by the President of Iowa State University from a list of three candidates provided by the advisory board. The bill provides that an additional list of three candidates shall be provided by the advisory board if requested by the president. The university projected a tentative deadline of September 1987 for the receipt of applications for director of the center with an appointment possible by January 1988.

The university expected the entire start-up phase leading to the establishment of a research program for the center to require approximately one year. It is assumed the university will continue to work to initiate the programs of the Center as expeditiously as possible following the appointment of the advisory board.

Vice President Madden stated Iowa State University officials were proud that the university was designated to be the coordinating entity for the center. He said the project was just getting started and many things still had to be done to implement the project.

ACTION: President Pomerantz stated the Board received the report on plans for the establishment and operation of the Leopold Center for Sustainable Agriculture at Iowa State University by general consent.

ACADEMIC BUILDING REVENUE REFUNDING BOND SALE, SERIES ISU 1987A. The Board Office recommended the Board (1) adopt "A resolution providing for the sale and award of up to \$14.5 million Academic Building Revenue Refunding Bonds, Series I.S.U. 1987A, and approving and authorizing the agreement of such sale and award"; (2) adopt "A Resolution authorizing and providing for the issuance and securing the payment of up to \$14.5 million Academic Building Revenue Refunding Bonds, Series I.S.U. 1987A, for the purpose of refunding the Academic Building Revenue Bonds, Series I.S.U. 1982A, presently outstanding in the principal amount of \$12 million, heretofore issued by the Board to defray costs of buildings and facilities on the campus of the Iowa State University of Science and Technology"; and (3) adopt "A Resolution authorizing the execution of an escrow agreement to provide for the payment of Academic Building Revenue Bonds, Series I.S.U. 1982A."

In September 1986 the Board initiated the advanced refunding of a number of outstanding Academic Building Revenue Bond issues. The advanced refundings are for bond issues with higher interest rates ranging from 8.82 percent to

11.19 percent. The 1982A bond issue refunded this month sold at a net interest rate of 8.82 percent and is the last in a series of six Academic Building Revenue Bond refundings.

At 1:30 p.m. President Pomerantz directed the financial advisor, Springsted, Inc., to read the bids received, publicly announce the best bid and make its recommendation to the Board on acceptance of the bids.

Mr. Luther Anderson of Springsted, Inc., stated that at 11:30 a.m. that day bids were received for the Academic Building Revenue Refunding Bond sale. He said the bids were excellent and he was pleased that a third firm, Citicorp Investments, also bid. Mr. Anderson stated the bid of Citicorp was for a net effective interest rate of 7.0338 percent; the bid of John Nuveen was for a net effective interest rate of 6.4022 percent; and, the bid of Merrill Lynch was for a net effective interest rate of 6.32 percent.

As a comparison, Mr. Anderson stated the state of Minnesota recently sold \$200 million in bonds which were 60-75 basis points higher.

Mr. Anderson said this was a refunding issue with two purposes: 1) permit restructuring of annual debt service supported by tuition replacement appropriations and 2) achieve net present value savings. He said both goals were accomplished.

Mr. Anderson strongly recommended the Board of Regents accept the Merrill Lynch bid.

Regent VanGilst asked what the average maturity is.

Associate Director Runner responded the average maturity is about 11 years.

MOTION: Regent Tyler moved to adopt "A resolution providing for the sale and award of \$13,630,000 Academic Building Revenue Refunding Bonds, Series I.S.U. 1987A, and approving and authorizing the agreement of such sale and award." Regent Williams seconded the motion, and upon the roll being called, the following voted:
AYE: Duchon, Fitzgibbon, Greig, Harris, Pomerantz, Tyler, VanEkeren, VanGilst, Williams.
NAY: None.

MOTION: Regent VanGilst moved to adopt "A Resolution authorizing and providing for the issuance and securing the payment of up to \$13,630,000 Academic Building Revenue Refunding Bonds, Series I.S.U. 1987A, for

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the purpose of refunding the Academic Building Revenue Bonds, Series I.S.U. 1982A, presently outstanding in the principal amount of \$12 million, heretofore issued by the Board to defray costs of buildings and facilities on the campus of the Iowa State University of Science and Technology."

Regent Williams seconded the motion, and upon the roll being called, the following voted:

AYE: Duchen, Fitzgibbon, Greig, Harris, Pomerantz, Tyler, VanEkeren, VanGilst, Williams.

NAY: None.

MOTION:

Regent Duchen moved to adopt "A Resolution authorizing the execution of an escrow agreement to provide for the payment of Academic Building Revenue Bonds, Series I.S.U. 1982A." Regent Fitzgibbon seconded the motion, and upon the roll being called, the following voted:

AYE: Duchen, Fitzgibbon, Greig, Harris, Pomerantz, Tyler, VanEkeren, VanGilst, Williams.

NAY: None.

President Pomerantz directed that all certified checks submitted by bidders, except that of the best bid, be returned.

REPORT ON COAL PURCHASING BIDS. The Board Office recommended the Board receive a report on coal bids received and direct that the university report to the Board its assessment of the best bid following evaluation and prior to making award.

Two new boilers will go on line next year at Iowa State University. The boilers use circulating, fluidized bed technology and can burn a lower grade and less expensive coal than is used in conventional boilers. The budget savings from lower fuel costs is critical to meeting debt service on \$32 million in bonds sold to finance this project.

In anticipation of the new boilers' availability the university solicited bids for a one-year coal contract.

The university reported that bid evaluations will consider a variety of complicating factors, such as boiler efficiency, limestone usage and sulfur removal, ash disposal costs and capital costs for coal handling improvements. In every case where a bid is competitive and being seriously considered, the boiler manufacturer must review fuel analysis to determine operating

characteristics and acceptability. Samples of coal being bid may need to be test burned in a comparable, pilot-scale boiler. It is essential to evaluate these factors as well as the bid price to determine what is in the best interests of the university.

By statute, Iowa-produced coal is given a 5 percent preference when compared to coal produced in other states. Iowa coal producers will receive that preference as the university evaluates bids to determine the best bid.

A summary of the most price competitive bids is shown below. The bids of Iowa-produced coal are adjusted with the 5 percent price preference and shown parenthetically.

<u>Bidder</u>	<u>Delivered Cost per MM BTU's</u>	
C. Reiss Coal Wisconsin	\$0.871	
Peabody Coal Illinois	\$1.082	
American Coals Iowa	\$1.15*/1.18	(\$1.09/1.12)
Iowa Coal Mining Company Iowa	\$1.163	(\$1.105)
Star Coal Company Iowa	\$1.218	(\$1.16)

*Provides for extension of contract beyond one year.

The cost per million btu's paid by the university on its two existing contracts are \$1.56 and \$1.57. For each 1 cent per million btu's in price difference in comparing the bids for coal to be used in the new boilers with existing coal contracts, Iowa State University can save approximately \$32,000 per year.

This coal contract award and the budget impacts for the university have significant implications. Therefore, it was recommended that the university share with the Board the results of its consultants study and its assessment of the best bid prior to contract award.

Vice President Madden stated the university received financially very good bids. He said there appeared to be an opportunity for substantial savings to the university which would enable the university to meet debt service costs for the boiler. He said the bids were competitive and offered the university choices between Iowa coal and suppliers outside the state. The university will proceed to engage an independent consultant to assist in bid evaluation

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and will bring a recommendation to the Board in September. It is expected to take an additional two months to carefully evaluate each bid. He said it appeared on the surface that some of the non-Iowa bids are fairly cost effective. In order for an outside consulting firm to evaluate the burning of the fuel the university may have to ship coal samples to Finland.

Regent Tyler stated this may be a time for the Board to improve its public image. He said someone should apprise the Department of Economic Development that the Regents are trying to use Iowa coal.

Regent VanGilst asked when the new boilers would be in operation.

Vice President Madden responded the new boilers would be in operation by April-June, 1988.

Regent VanGilst asked whether the Board would be apprised as the university proceeds with the coal evaluation.

Vice President Madden stated the university would be glad to provide the Board with the consultants' report.

Regent VanGilst asked if it was necessary to send the coal to Finland.

Vice President Madden responded that it was necessary and that it would be interesting to see how that is done.

Regent VanGilst asked if Finland had the closest available boiler.

Vice President Madden responded that Finland was chosen because the same type of boiler is in use there.

Regent Fitzgibbon asked for clarification on the state's requirement to grant a 5 percent preference to Iowa coal manufacturers.

Vice President Madden responded there is a specific statute that gives Iowa producers of coal a 5 percent price preference when compared to coal produced in other states. He added that even with that 5 percent preference factor some of the out-of-state bids still came in at a lower cost.

Regent Harris stated he believed there was a boiler at Purdue University similar to the one the university will use.

Vice President Madden responded that the manufacturer has some boilers like the one Iowa State University will be using in operation in Finland. There are several different kinds of fluidized bed boilers. He said the boiler manufacturer indicated that the Finland boiler would be the best for testing purposes since it is the same as the one Iowa State University will be using. He added that similar boiler projects were in the start-up stages so it may

be possible to find a test boiler closer than Finland. He said the question was whether the university would be able to use those for testing.

Regent VanGilst stated he was concerned about the consultant being given an accurate sample since the content of one load of coal can differ substantially from the content of the next. He asked whether the Regents and the university would know how those samples were taken.

Vice President Madden responded that the university selected this particular coal consultant because it has no interest in the sale of coal. The consultant will be representing the interests of the Regents and the university. He added that the goal is to perform the testing in an objective and appropriate fashion.

President Pomerantz stated this was obviously a subject that had been previously discussed by the Regents. He said all vendors should be on notice that the Board intends to comply with Iowa law and if they want to do business with the Board of Regents they should make sure their bids are competitive.

Regent Fitzgibbon asked how the repayment plan was scheduled.

Vice President Madden responded that the bonds for the debt service on the boilers are through variable rate financing and will have to be converted to fixed rate with 20-25 year maturity. He said the university had to make a decision. The fuel savings were sufficient -- over \$2 million per year -- to pay for the installation of the equipment.

Vice President Madden stated that outside Iowa the coal prices have dropped significantly. At the time the university began this project the coke products were not one of the fuel sources. He said Western coal prices have come down the last couple of years and rail rates have also dropped. Therefore, from a costing point of view, it may be economically feasible to purchase out-of-state coal.

Mr. Richey cautioned to keep in mind the savings in the fuel budgets are what pay the debt service.

Regent Fitzgibbon asked whether the savings would bring less than that for repayment.

President Pomerantz responded the structuring of the bonds assumed a level of cost before the investment in the boilers. The difference is what is between that assumption and actual cost after the new boilers are installed.

Vice President Madden stated the university assumed it would continue to receive the fuel budgets the state was projecting. The university actually has had the increased fuel budgets originally projected during that period and has ended up with fuel savings. He said once the university starts

paying debt service it has to have that cash flow. The financing was to use variable rate bonds. He said that interest rate change dates had been lengthened from weekly to annually. He said university officials will be talking with the Banking Committee at some point about conversion from variable to fixed rate bonds to have it all worked into the debt service. He added the university has done well during the construction period.

ACTION: President Pomerantz stated the Board received the report on coal bids received and directed that the university report to the Board its assessment of the best bid following evaluation and prior to making award by general consent.

WOI BYLAWS REVISION. The Board Office recommended the Board approve amendment number one of the Iowa State University Broadcasting Corporation Bylaws subject to satisfactory consultation with the Attorney General's Office on indemnification provisions. (Oral approval from the Attorney General's Office was subsequently received by the Board Office.)

In April the Board established the Iowa State University Broadcasting Corporation and approved a number of enabling documents including the corporation's Bylaws. The Bylaws required that changes be subject to the consent of the Board of Regents. The corporation now requested, and the university concurred, a proposed amendment to the Bylaws.

The amendment is in three parts which are summarized below:

- * Provision for the corporation to select one of its outside directors as chairperson of the board of directors.
- * Provision for the board of directors chairperson to call a special board meeting.
- * Provision for changes in indemnification language to conform to corporate indemnification law changes enacted by the General Assembly and approved by the Governor. The statutory changes become effective July 1, 1987.

The controls of the corporation approved by the Board of Regents in April are unaffected by the amendment and remain in place.

Vice President Madden stated Harry Slife was elected as chairperson of the board of directors.

MOTION: Regent Tyler moved to approve amendment number one of the Iowa State University Broadcasting Corporation Bylaws subject to satisfactory consultation with the Attorney General's Office on indemnification

provisions. Regent Williams seconded the motion, and upon the roll being called, the following voted:

AYE: Duchen, Fitzgibbon, Greig, Harris, Pomerantz, Tyler, VanEkeren, VanGilst, Williams.

NAY: None.

ISIS LEASE - MTEC PHOTOACOUSTICS. The Board Office recommended the Board approve the lease with MTEC PHOTOACOUSTICS for its use of 552 square feet of space in the room commonly known as 104 for 12 months commencing July 1, 1987, at a rent of \$2,640 per year with renewal by mutual agreement for six month intervals commencing July 1, 1988.

At the June 1986 Board meeting the Board approved the first leases for the Iowa State Innovation System Center (ISIS) which is housed in the building commonly known as the Lab of Mechanics Building. The facility houses a part of the university's effort in providing incubator facilities and activities for business and industry in Iowa. In September 1986 the Board approved a standard lease document to be used by ISIS for its tenants. This lease is on the standard document.

The university reported that MTEC PHOTOACOUSTICS meets its requirements for a business enterprise to receive the university's help at ISIS. MTEC is a tenant which is renewing its lease and increasing the space it uses.

MOTION:

Regent VanGilst moved to approve the lease with MTEC PHOTOACOUSTICS for its use of 552 square feet of space in the room commonly known as 104 for 12 months commencing July 1, 1987, at a rent of \$2,640 per year with renewal by mutual agreement for six month intervals commencing July 1, 1988. Regent VanEkeren seconded the motion, and upon the roll being called, the following voted:
AYE: Duchen, Fitzgibbon, Greig, Harris, Pomerantz, Tyler, VanEkeren, VanGilst, Williams.
NAY: None.

President Eaton stated that in addition to the retirement of Joe Giangreco there was another celebration which was not recognized in the docket book. He asked everyone to join in recognizing the 37th wedding anniversary celebration of Regent Harris and his wife.

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

no
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UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday, July 8, 1987.

REGISTER OF PERSONNEL CHANGES. The Board Office recommended the Board approve the Register of Personnel Changes for the month of June 1987.

ACTION: President Pomerantz stated the Board approved the Register of Personnel Changes for the month of June 1987 as a consent item.

OTHER PERSONNEL TRANSACTIONS. The Board Office recommended the Board (1) approve the appointment of Duane C. Anders, Director/Physical Plant, effective July 1, 1987, at an annual salary of \$55,000 and (2) accept the resignation of Dr. Marilyn Monteiro as Director/Affirmative Action Program effective July 21, 1987.

Mr. Anders has served as Acting Director/Physical Plant since June 30, 1986.

Dr. Monteiro submitted her resignation in order to accept a similar position with another university. Dr. Monteiro's appointment as affirmative action officer at University of Northern Iowa for the period preceding her resignation had previously been approved on the consent docket.

Vice President Martin stated the university had an additional administrative appointment it wished to present to the Board since it would not be meeting again until September. The university requested the appointment of Dr. Darrel W. Davis as Acting Head, Department of Information Management, at a salary as budgeted plus \$1,800 stipend for serving as head.

MOTION: Regent VanEkeren moved to (1) approve the appointment of Duane C. Anders, Director/Physical Plant, effective July 1, 1987, at an annual salary of \$55,000; (2) accept the resignation of Dr. Marilyn Monteiro as Director/Affirmative Action Program effective July 21, 1987; and (3) approve the appointment of Dr. Darrel W. Davis as Acting Head, Department of Information Management, at a salary as budgeted plus \$1,800 stipend for serving as head. Regent VanGilst seconded the motion, and it carried unanimously.

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

The university submitted one new project with an estimated budget over \$250,000.

Power Plant No. 1, Phase 1--Utilities Relocation \$525,000
Source of Funds: Building Repairs and 1977 Academic
Building Revenue Bond Proceeds

This project involves relocation of the electrical and steam distribution lines associated with old Power Plant #1. The utility distribution lines must be relocated in order for the old Power Plant #1 to be abandoned and demolished.

The relocation of the utilities is part of a larger project that will construct replacement boiler capacity in the new Power Plant #2. The old power plant located in the center of campus can then be demolished.

The relocation of the utility lines and the demolition of Power Plant #1 are related to construction of the new Classroom Office Building. The site of the power plant is being considered for the Classroom Office Building. The university should present the Board with plans for demolishing the power plant and related site selection issues for the Classroom Office Building.

In September the Board authorized the university to initiate planning on a project to replace the four outdated boilers at Power Plant #1. The boilers are beyond their useful life and are no longer economical to repair. In November Sega, Inc., of Stanley, Kansas, was appointed to undertake a comprehensive study of the power and system generating needs of the university. As a result of that study the need for a new 105,000 lb. per hour fluidized bed boiler was identified.

The installation of the new fluidized bed boiler and demolition of Power Plant #1 was in the Board's capital request at \$10.1 million during the last legislative session. Funding was provided in a Senate bill that was twice defeated in the House by narrow margins.

The university requested permission to appoint Sega, Inc., to undertake the planning for the utilities relocation portion of the power plant project. The university recommended appointment of Sega because of their familiarity with the project and their performance in completing the preliminary study. The consultant's fee is estimated at \$43,000.

The source of funds for the utilities relocation portion of the power plant project is building repairs funds and proceed balances from 1977 Academic Building Revenue Bonds. The balance in the boiler and auxiliaries revenue bond project account is \$190,000. These bonds were issued in 1977 and were

for the construction of a coal-fired boiler replacement and auxiliaries and general utility work.

Associate Director Runner stated the University of Northern Iowa will request funding again later this year to complete the new power plant project and make room for the Classroom Office Building. He said it is critical this project be completed and the relocation of the existing facilities be accomplished.

Director True said the university is requesting that income from Academic Building Revenue Bond proceeds to be available in September also be an optional source of financing to redistribute utilities and raze the power plant. He said the Classroom Office Building is proposed for the site of the old power plant.

Director True stated the power plant replacement project was listed in the capital priorities but was not funded during the last legislative session. As a result of a review of this project the Board Office and the university deemed it a necessity and recommended this project -- the power plant demolition, acquisition of a new coal-fired boiler, and the Classroom Office Building -- proceed simultaneously. He said acquisition of a used, small gas fire boiler to help supply the university's power for three years would also be required. He added that the university and the Board Office have identified funds available for bridge financing until permanent financing can be obtained.

President Curris stated that last month when the Board met in Cedar Falls Regent Tyler asked about the black smoke coming out of the old power plant. Upon investigating the smoke President Curris found that the new power plant was down for routine maintenance. He said it happened to be the same day the university received a surprise visit by Environmental Protection Agency representatives from Kansas City. He said the university will probably receive a letter of citation.

President Curris stated he appreciated the support of the Board Office in the university's power plant project endeavor.

Regent VanGilst asked why the legislature approved power plants for the University of Iowa and Iowa State University, but turned down the University of Northern Iowa request.

Mr. Richey responded that the university proposals requested different funding sources.

President Curris stated that the other universities' projects utilized self-liquidating bonds which were issued with no cost to the state. He said the university had already achieved as much energy savings as possible by what was done 10 years ago. The university wishes to replace two old boilers. He said in that sense there was no savings to finance the boiler.

Regent VanGilst asked whether next year the university would again seek funding from the legislature.

President Curris responded that the university would again seek funding, assuming the Board endorses the same priority as last year.

Regent VanGilst stated the university probably has the votes it would need in the House.

President Curris stated that during the last session of the General Assembly the university's project had a harder time passing in the House than the Senate.

Regent Greig asked whether there was a precedent on this, whether once the university starts it would have to continue.

Mr. Richey stated the Board is committing itself to a priority which is unavoidable. He said the university has funds to proceed with the project on an interim basis with the intention of restoring those funds. He said it is non-discretionary and the university stands to gain by moving forward now. Furthermore, he said the university can put the new Classroom Office Building where it ought to be, in terms of the campus development.

Regent VanGilst stated that not only were the three universities interested in fluidized beds, they were also being utilized all over the state of Iowa. He said others know the savings, too.

* * *

The university presented one project that will be initiated in the coming months.

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

Power Plant No. 1, Phase 1--Utilities Relocation \$43,500
Sega, Inc., Stanley, Kansas

The university requested approval of Sega, Inc., to provide engineering services for this project. The firm conducted the feasibility study for replacement of Power Plant #1. The appointment of Sega to conduct the feasibility study was selected as a result of Regent selection procedures. The fee is based on a fixed maximum of \$43,500, including reimbursables.

The following contract was awarded by the Executive Secretary on behalf of the Board:

Latham Field Parking Lot \$331,047.74
Award to: Youngblut Contracting, Inc., Washburn, Iowa

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

The project is funded from parking operations and building repairs. Kirkham, Michael and Associates is providing architectural engineering service on the project.

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

FINAL LINE BUDGET, 1987-88. The Board Office recommended the Board (1) approve the University of Northern Iowa Final General Program Operating Budget for fiscal year 1988 in the amount of \$60,751,643; (2) request that the university develop a systematic process for the reallocation of academic program funds to promote improvements in academic vitality and quality and to support new program initiatives; (3) request that the university provide a report to the Board in December, 1987 on its use of all new and reallocated funds and on the distribution of new faculty positions among academic departments; and (4) approve the final budget for the University Residence System for fiscal year 1988 with budgeted operating expenditures of \$9,367,510.

The total General Fund budget for the University of Northern Iowa for fiscal year 1988 of \$60.75 million is 8.6 percent above the revised fiscal year 1987 operating budget. The proposed final operating budget differs from the preliminary budget approved by the Board in May only in the accommodation of reductions in state funding for comparable worth and salary adjustments. Highlights of the final budget proposal include:

- * An average faculty salary increase of 12 percent.
- * Average professional and scientific staff salary increases of 8 percent.
- * General services staff salary increases of 2 percent as of July 1 and comparable worth adjustments and merit increases as required by the Regents merit system and collective bargaining contracts.
- * An increase of 8.7 percent in the Supplies and Services budget, generated by reallocations of funds from the Salaries and Equipment categories.
- * New appropriations of over \$1 million, with \$400,000 of this allocated for new faculty positions.

- * Internal reallocation processes through normal budget reviews reported to provide \$150,000 in reallocated funds for fiscal year 1988.
- * Average increases in instructional program budgets of 9.0 percent.
- * \$15.7 million in tuition income to the general fund. An increase of \$1.5 million over the revised fiscal year 1987 level provides support for faculty salary increases and increases in the student aid setaside.
- * An increase in the student aid setaside of \$393,000.
- * Projected fiscal year 1988 Restricted Fund expenditures of \$27.0 million.

MOTION:

Regent Harris moved to (1) approve the University of Northern Iowa Final General Program Operating Budget for fiscal year 1988 in the amount of \$60,751,643; (2) request that the university develop a systematic process for the reallocation of academic program funds to promote improvements in academic vitality and quality and to support new program initiatives; (3) request that the university provide a report to the Board in December, 1987 on its use of all new and reallocated funds and on the distribution of new faculty positions among academic departments; and (4) approve the final budget for the University Residence System for fiscal year 1988 with budgeted operating expenditures of \$9,367,510. Regent VanGilst seconded the motion, and it carried unanimously.

APPROVAL OF ACADEMIC BUILDING REVENUE BOND RESOLUTION. The Board Office recommended the Board adopt a "Resolution authorizing the Executive Secretary to fix the date or dates for the sale of up to \$6 million Academic Building Revenue Bonds, Series U.N.I. 1987."

The Board was asked to take action to set in motion the proposed sale in September of up to \$6 million in Academic Building Revenue Bonds for the University of Northern Iowa.

This year the Governor and General Assembly approved a resolution permitting the sale of \$3 million in Academic Building Revenue Bonds for one project at the University of Northern Iowa. Senate Concurrent Resolution 35 authorized the Latham Hall Remodeling. Previously, the 1986 session of the General Assembly authorized \$10.2 million in Academic Building Revenue Bonds for the new Classroom Office Building and \$1 million for equipment. Up to \$6 million

universities will be between \$5 million and \$6 million. The exact amount of bonds to be issued will be established by the Executive Secretary with the approval of the Board President and in consultation with the university and the Board's financial advisor. The issue size will be set based upon the cash flow requirements on the two construction projects and the expected date of the next Academic Building Revenue Bond sale for the University of Northern Iowa. The issue size will also take into account the size of issues planned for the University of Iowa and Iowa State University which are scheduled for September.

MOTION:

Regent VanGilst moved to adopt a "Resolution authorizing the Executive Secretary to fix the date or dates for the sale of up to \$6 million Academic Building Revenue Bonds, Series U.N.I. 1987." Regent Williams seconded the motion, and upon the roll being called, the following voted:

AYE: Duchen, Fitzgibbon, Greig, Harris, Pomerantz, Tyler, VanEkeren, VanGilst, Williams.

NAY: None.

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

EXECUTIVE SESSION. President Pomerantz requested that the Board enter into closed session pursuant to the Code of Iowa section 21.5(1)(C) to discuss strategy with counsel in a matter presently in litigation or where litigation is imminent.

MOTION:

Regent Harris moved that the Board enter into executive session. Regent Duchen seconded the motion, and upon the roll being called, the following voted:

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AYE: Duchen, Fitzgibbon, Greig, Harris,
Pomerantz, Tyler, VanEkeren, VanGilst,
Williams.
NAY: None.

The Board having voted at least two-thirds majority resolved to meet in executive session beginning at 2:15 p.m. on July 8, 1987, and arose therefrom at 3:00 p.m. on that same date.

IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Wednesday, July 8, 1987.

RATIFICATION OF ACTIONS REPORTED IN THE REGISTER OF PERSONNEL CHANGES FOR THE MONTH OF JUNE 1987. The Board Office recommended the Board approve the Register of Personnel Changes for the Month of June 1987.

ACTION: President Pomerantz stated the Board approved the Register of Personnel Changes for the month of June 1987 as a consent item.

APPOINTMENT OF AFFIRMATIVE ACTION OFFICER. The Board Office recommended the Board approve the appointment of Julie Ebers, Associate Director of Personnel, as Affirmative Action Officer for fiscal year 1988.

The Board of Regents Procedural Guide, in Section 4.05B, requires institutions to submit annually for Board appointment the name of an Affirmative Action Officer. At the universities such positions represent sole responsibilities of the individuals. At the special schools the position of Affirmative Action Officer is a duty assumed as a part of the responsibilities in another position.

ACTION: President Pomerantz stated the Board approved the appointment of Julie Ebers, Associate Director of Personnel, as Affirmative Action Officer for fiscal year 1988, as a consent item.

APPROVAL OF PROFESSIONAL AND SCIENTIFIC POSITION. The Board Office recommended the Board approve the request of Iowa School for the Deaf for the establishment of the class of Media Coordinator in pay grade 3 (\$20,035 - \$27,404) of the school's classification and compensation plan for professional and scientific employees.

The proposed new professional and scientific position is currently paid on the Iowa School for the Deaf salary schedule for teachers. The position is responsible for the operation of the media department which provides audio-visual materials to faculty for use in the classroom, and supervises and maintains the closed-circuit television system on campus.

The position does not require a teaching certificate, and is more appropriately categorized as professional and scientific rather than a

teaching position. The proposed pay grade was determined by application of the school's job evaluation system for professional and scientific positions.

MOTION: Regent Williams moved to approve the request of Iowa School for the Deaf for the establishment of the class of Media Coordinator in pay grade 3 (\$20,035 - \$27,404) of the school's classification and compensation plan for professional and scientific employees. Regent VanEkeren seconded the motion, and it carried unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS FOR THE MONTH OF JUNE 1987. The Board Office recommended the Board approve the capital register.

The following contract was awarded by the Executive Secretary on behalf of the Board:

<u>Laundry Demolition</u>	<u>\$67,121</u>
Award to: Yentes Excavating, Omaha, Nebraska (3 bids received)	

This project involves demolition of the Laundry Building and enclosure of the existing utility and communication lines that run under the building. After demolition the site will be blacktopped as a parking lot.

The project budget of \$88,000 was approved by the Board in February 1987. Source of funds is salary and utility savings for fiscal year 1987. Wilscom Birge and Associates, Omaha, Nebraska, is project architect.

ACTION: President Pomerantz stated the Board approved the capital register for the month of June 1987 as a consent item.

President Pomerantz stated he wished to express the Board's gratitude to Superintendent Giangreco for his many years of service to the Iowa School for the Deaf students, faculty and the state of Iowa. He said Superintendent Giangreco had an outstanding career, accomplished much, and had brought happiness to the students and their parents.

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

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Wednesday, July 8, 1987.

RATIFICATION OF ACTIONS REPORTED IN THE REGISTER OF PERSONNEL CHANGES FOR MAY 31 TO JUNE 27, 1987. The Board Office recommended the Board approve the Register of Personnel Changes for May 31 to June 27, 1987.

ACTION: President Pomerantz stated the Register of Personnel Changes for May 31 to June 27, 1987, was approved as a consent item.

APPOINTMENT OF 1987-1988 AFFIRMATIVE ACTION OFFICER. The Board Office recommended the Board appoint JOHN W. HAMLING to be Affirmative Action Officer for the 1987-88 fiscal year.

Mr. Hamling has been employed by Iowa Braille and Sight Saving School for approximately 12 years and is a graduate of the school. It is the school's intent to add the responsibilities of Affirmative Action Officer to the present responsibilities as a Houseparent III held by Mr. Hamling.

ACTION: President Pomerantz stated the Board appointed JOHN W. HAMLING to be Affirmative Action Officer for the 1987-88 fiscal year as a consent item.

PROPOSAL FOR THE POSITION OF STATE VISION CONSULTANT. The Board Office recommended the Board 1) approve the concept of the Iowa Braille & Sight School providing a staff member to become State Consultant in Visually Handicapped to the State Department of Education and 2) authorize the Executive Secretary to sign the contract with the Iowa Department of Education to establish this interagency agreement.

The State Department of Education has been unable to fill the position of State Consultant in Visually Handicapped for several years. As an alternative, the department proposed that a well-qualified staff member from the Iowa Braille & Sight Saving School serve part-time as the State Consultant in Visually Handicapped.

The implementation of this concept would provide a unique opportunity for the Iowa Braille & Sight Saving School to play a key leadership role in the education of the visually handicapped in all educational agencies in the state of Iowa. The Board Office believed this to be an excellent opportunity to enhance the resource services of the school and improve the overall

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relationships with the various agencies and organizations involved in special education. The school is fortunate to have an individual who is well qualified to carry out these dual responsibilities. The Board Office expected this would be a long-term, ongoing relationship, assuming that it is carried out successfully. The institution indicated that after the proposal is approved, specific plans will be brought to the Board of Regents after discussion with appropriate officials in the State Department of Education.

Superintendent Thurman stated he was pleased to bring the recommendation to the Board. He said that since the middle 1970s the State Department of Education has provided an expert consultant to students with learning disabilities, mental retardation, and sight deficiencies. For the past several years the state has been unable to find a person to fill the position. As a partial stopgap Iowa Braille and Sight Saving School has provided a liaison, Allen Koenig. The recommendation to the Board is that Mr. Koenig's services be provided on a cost recovery basis.

Mr. Koenig stated he primarily has five objectives for next year: 1) begin developing a set of guidelines and curriculum for the visually impaired, 2) set guidelines for assessing quality of services, 3) on-site visits to Area Education Agencies to discuss Department of Education suggestions to improve programs of the agencies, 4) sponsor a meeting of vision program supervisors, and 5) various other activities to improve communications, including the printing of a newsletter.

Regent Harris asked whether it was likely the larger school systems would take advantage of the services.

Superintendent Thurman responded the larger school systems probably would take advantage of the services. He said much information flows to all school districts.

Regent Harris asked how the smaller school systems would receive assistance.

Superintendent Thurman responded assistance would be provided through the Area Education Agencies on a request basis.

Regent Tyler stated he was pleased that the vision consultant would be meeting on-site with the Area Education Agencies.

MOTION:

Regent Harris moved to 1) approve the concept of the Iowa Braille & Sight School providing a staff member to become State Consultant in Visually Handicapped to the State Department of Education and 2) authorize the Executive Secretary to sign the contract with the Iowa Department of Education to establish this interagency

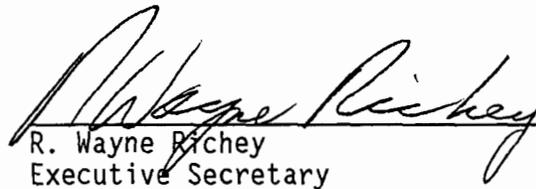
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agreement. Regent Williams seconded the motion, and it carried unanimously.

REGISTER OF CAPITAL IMPROVEMENTS BUSINESS TRANSACTIONS. The Board Office stated the capital register contained no transactions for the month.

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

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 2:09 p.m. on Wednesday, July 8, 1987.


R. Wayne Richey
Executive Secretary