

The State Board of Regents met on Wednesday, June 19, 1991, at Iowa State University, Ames, Iowa. The following were in attendance:

	<u>June 19</u>
<u>Members of State Board of Regents</u>	
Mr. Pomerantz, President	All sessions
Mr. Berenstein	All sessions
Mr. Dorr	All sessions
Mr. Fitzgibbon	All sessions
Ms. Furgerson	All sessions
Ms. Hatch	All sessions
Ms. Johnson	All sessions
Dr. Tyrrell	All sessions
Mrs. Williams	All sessions
<u>Office of the State Board of Regents</u>	
Executive Director Richey	All sessions
Deputy Executive Director Barak	All sessions
Director Smith	All sessions
Director Volm	All sessions
Associate Director Hollins	All sessions
Assistant Director Hudson	All sessions
Assistant Director Peters	All sessions
Minutes Secretary Briggie	All sessions
<u>State University of Iowa</u>	
President Rawlings	All sessions
Vice President Nathan	All sessions
Vice President Phillips	All sessions
Treasurer True	All sessions
Associate Vice President Small	All sessions
<u>Iowa State University</u>	
President Jischke	All sessions
Provost Glick	All sessions
Associate Provost Adams	All sessions
Vice President Madden	All sessions
Vice President Theilen	All sessions
Executive Asst. to President Crawford	All sessions
Assistant to President Bradley	All sessions
Assistant Vice President Pickett	All sessions
Director Jensen	All sessions
<u>University of Northern Iowa</u>	
President Curris	All sessions
Provost Marlin	All sessions
Vice President Conner	All sessions
Executive Ass't. to President Stinchfield	All sessions
Director Chilcott	All sessions
<u>Iowa School for the Deaf</u>	
Superintendent Johnson	All sessions
Business Manager Nelson	All sessions
Interpreter Cool	All sessions
Interpreter Stephens	All sessions
<u>Iowa Braille and Sight Saving School</u>	
Superintendent Thurman	All sessions
Director Hauser	All sessions

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The following business pertaining to general or miscellaneous business was transacted on Wednesday, June 19, 1991.

APPROVAL OF MINUTES OF BOARD MEETING, MAY 15, 1991. The Board Office recommended the Board approve the Minutes, as mailed.

Regent Fitzgibbon asked that the Minutes be revised to add the words "opportunity for" before the word "input" in the sixth full paragraph of page 578.

ACTION: President Pomerantz stated the Board approved the Minutes of the May 15, 1991, meeting, as corrected, by general consent.

CONSENT ITEMS.

MOTION: Regent Berenstein moved, seconded by Regent Furgerson, to approve the consent docket, as follows:

Give final approval to the administrative rule on the College-Bound Program;

Receive the report of the Iowa College Student Aid Commission;

Approve the Next Meetings Schedule;

Approve the academic calendars for the 1993-94, 1994-95, 1995-96 and 1996-97 academic years and the 1994, 1995, 1996 and 1997 summer sessions as submitted by Iowa State University;

Refer the Iowa State University proposal for an Iowa Transportation Center to the Interinstitutional Committee on Educational

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Coordination and the Board Office for review and recommendation;

Refer the Iowa State University proposal for an Iowa Space Grant College Consortium to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Approve the Iowa State University traffic and parking rules and regulations for 1991-92 and receive proposed revision to the parking rates and fees for violations for the faculty, students and staff, and schedule for final action at the Board meeting in July.

The motion carried unanimously.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a) Bachelor of Science in Professional Agriculture at Iowa State University. The Board Office recommended the Board approve the Bachelor of Science in Professional Agriculture (off-campus) at Iowa State University.

Iowa State University officials proposed a Bachelor of Science degree in Professional Agriculture to be delivered off campus. The Professional Agriculture Program will provide an undergraduate curriculum in agriculture for students who cannot participate in on-campus instruction and will deliver courses in a way to accommodate students with rigid employment schedules.

Various technology and electronic teaching systems will be used to deliver the necessary course work to nontraditional students. The program would build on the previous course work and associate degrees earned at community colleges. A pilot program in this area has proven successful.

Both the Board Office and the Interinstitutional Committee recommended approval.

MOTION:

Regent Dorr moved to approve the Bachelor of Science in Professional Agriculture (off-campus) at Iowa State University. Regent Williams seconded the motion, and it carried unanimously.

(b) Division of the Department of Mathematical and Computer Science at the University of Northern Iowa. The Board Office recommended the Board approve of the division of the Department of Mathematics and Computer Science into two departments, the Department of Mathematics and the Department of Computer Science, at the University of Northern Iowa effective immediately.

A separation of the Mathematics and Computer Science areas into two separate departments was requested by University of Northern Iowa officials. The separation is desired because of the growth in the Computer Science area. The change will improve recruiting of students and faculty and give greater visibility to the area. The costs of the change will be covered by internal reallocations.

The Interinstitutional Committee and the Board Office recommended approval.

Regent Hatch said that while she endorses the idea of 2 separate departments, the idea of internal reallocations to cover the costs of the change caused her some concern. She preferred to postpone the division for a couple of years and to utilize internal reallocations for offering courses which might otherwise be cancelled.

Vice President Marlin said the internal reallocation would come in the form of funds freed up from the reduction of a department head position.

MOTION: Regent Berenstein moved to approve the division of the Department of Mathematics and Computer Science into two departments, the Department of Mathematics and the Department of Computer Science, at the University of Northern Iowa effective immediately. Regent Williams seconded the motion, and it carried with Regent Hatch opposed.

(c) Community College Approvals. The Board Office recommended the Board receive the report on community college visitations and approve the recommendations.

Consistent with statutory obligations and Administrative Rules, two types of community college evaluations were conducted this past year: (1) annual reviews of all community colleges and (2) focused visits concerning the expansion of the college parallel programs at three community colleges.

Staff from the Regent universities were invited by the Department of Education to participate in all the visits.

All of the community colleges were recommended for approval.

The statutory obligations for the participation of the Board of Regents in the joint Board action expire in 1992.

Regent Williams asked if anyone had expressed concern about the lack of future Regent involvement after the 1992 statutory obligation expiration.

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Mr. Richey stated the amendment in the statute was done without notification to the Regents in any way. The Regents felt that the relationship between the institutions was very important. The motive behind it apparently is that community college officials feel their system has matured to a point where they can take care of their own quality issues. Articulation discussions will ensure that critical relationships are maintained with Regent representatives.

Regent Williams questioned whether critical relationships can be maintained without statutory impetus. She felt that the statute helped ensure an external check that the educational sectors are working together. She hopes this will continue. She noted that the Strategic Planning Higher Education Committee may become more interested in this matter. Communication is very critical and she hoped this action would not cut off that communication.

President Pomerantz said it may be true that the community colleges have come of age and do not need Regent input. The Regents could go ahead and set their standards without regard to compliance by the community colleges. The time may have come in Iowa where that is appropriate. It may be time for the Regents to strike out on their own and not be so concerned about the total educational system in the state.

Regent Williams expressed concern about the student in this whole process. The student ends up being the loser.

Regent Dorr suggested the Regents instruct the Board Office staff to work with the community college officials on a voluntary basis.

Mr. Richey said the Board Office will follow through on this sense of concern expressed by the Regents.

MOTION: Regent Hatch moved to receive the report on community college visitations and approve the recommendations. Regent Dorr seconded the motion, and it carried unanimously.

REPORT ON ACCREDITATION OF THE PROGRAM IN DIETETICS AT IOWA STATE UNIVERSITY.
The Board Office recommended the Board receive the report on the accreditation of the baccalaureate program in Dietetics at Iowa State University.

The American Dietetic Association granted accreditation for ten years to the undergraduate program in dietetics in the Department of Food Science and Human Nutrition administered by the College of Family and Consumer Sciences and the College of Agriculture.

The site visit report indicated program strengths as well-known long-term faculty, supportive administration, food service with modern facilities that provide unique student experiences, and opportunities for students to function independently.

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The Association cited two planned improvements (1) the inclusion of advisors from outside of the dietetics field in planning and evaluation and (2) new facilities currently under construction to alleviate space and equipment shortages. There were no stipulations included with the awarding of accreditation.

President Pomerantz welcomed President Jischke to the first Regents meeting in his official capacity. He said the Board wishes him well and stands ready to cooperate.

ACTION: President Pomerantz stated the Board received the report on the accreditation of the baccalaureate program in Dietetics at Iowa State University by general consent.

LEGISLATIVE REPORT. The Board Office recommended the Board receive the report on legislative activities.

Governor Branstad completed action on legislation passed by the 74th General Assembly on June 11, 1991. The Governor signed House Concurrent Resolution 30, which authorizes the universities to issue academic revenue bonds not to exceed \$20 million for deferred maintenance, utility, and equipment projects.

Board of Regent institutions and the Board Office will receive \$497,094,084 as a result of final action by the Legislature and the Governor in House File 479 and Senate File 532. This amounts to a reduction of .08 percent from revised FY 1991 budgets.

House File 479 funded \$60,000 for child care at the three universities.

Senate File 146 requires the Board of Regents when making the final decision on an increase in tuition or mandatory fees to state the estimated total cost of attending each of the universities.

Senate File 508 (Energy Efficiency Programs and Projects) requires state agencies beginning July 1, 1992, to purchase a minimum of five percent passenger vehicles and light trucks equipped with engines utilizing alternative methods of propulsion, such as fuels blended with 85 percent ethanol and 15 percent gasoline. The percentage increases to 10 percent of purchases by July 1, 1994.

Senate File 508 also requires agencies to design and construct the most energy cost-effective facilities and to submit a life cycle cost analysis to the Department of Natural Resources before letting of contracts for new construction or renovation of a public facility.

Senate File 23, a bill relating to the teaching of American sign language, provides that the Board of Regents, the Board of Educational Examiners, and the Department of Education conduct a study of the use of and instruction in American sign language.

The Board Office will follow up with the institutions on legislative matters requiring specific action.

Mr. Richey said staff was awaiting further action by the Governor on Fiscal Year 1992 appropriations.

Regent Johnson asked what was meant by "clothing" under "tuition replacement" in graduate centers on page one of Exhibit A. Assistant Director Hudson responded that was a special purpose-type appropriation.

Regent Dorr referred to Senate File 508 requiring the institutions to begin purchasing passenger vehicles which utilize alternative fuel. He asked if there were any thoughts about whether the legislature would make provisions for fuel stations, maintenance facilities, etc., necessary for vehicles that utilize alternative fuel. Will such items be appropriated in future legislation?

Mr. Richey said that would be nice but that is not the general pattern. Most likely the institutions will be expected to cope with the legislation out of their own resources. Regent Dorr had identified some of the problems. Institutional officials will work with the legislation to the fullest extent possible. One way to address the legislation would be to apply it to vehicles that travel right in the community so they would have the fuel available.

Regent Fitzgibbon referred to House File 479 which provided for a certain list of priorities in which to address reductions. He asked if this had been reviewed and whether the Regent institutions were in compliance.

Mr. Richey said he had that legislation in mind as he reviewed the proposed preliminary budgets. At this point the institutions are in compliance. The real test will come when proposed preliminary budgets based on reductions are submitted.

Regent Dorr asked if there is a general direction that the institutions are heading regarding the child care issue. Is there a general policy being formalized for this issue?

Mr. Richey responded that the Board made a request for \$60,000 at each university to subsidize child care centers for care of children of students. That support would effectively assist the rest of the child care center. He said the Board has long had a program of subsidy to these centers through offerings of facilities on campus at nominal costs. This is the first time it has been addressed legislatively.

ACTION: President Pomerantz stated the Board received the report on legislative activities by general consent.

PRELIMINARY BUDGETS FOR FISCAL YEAR 1992. The Board Office recommended the Board (1) approve the report on fiscal year 1992 preliminary budgets with the understanding that further revisions will be necessary when the Governor takes action on reductions across the board in state appropriations; and (2) direct each institution to institute an intensive and comprehensive review of its programs and services designed to increase efficiencies and to adjust those services and programs to the level of available funding, and, further that the recommended actions shall be presented to the Board of Regents by March 1, 1992. The institutions shall use to the fullest extent possible the review mechanisms established by the Board as a result of the organizational audits by Peat Marwick Main, Inc.

Appropriations for general operations of the institutions for fiscal year 1992 are \$474.1 million, \$2.7 million below fiscal year 1991 after all deappropriations. After allowing for accounting changes, the appropriation is \$3.8 million or .8 percent below fiscal year 1991.

Academic Revenue Bond authority of \$20.0 million was authorized for deferred maintenance, equipment, and safety projects providing substantial relief to the operating budgets for these purposes.

Requested funding of \$2.1 million in supplemental appropriations for increased cost of health insurance for employees is included in the preliminary budgets.

Income gains from increases in rates of tuitions and fees are heavily offset by losses in enrollment at the University of Iowa and Iowa State University.

Tuition income at the University of Northern Iowa is up 7 percent, significantly in excess of the 3.8 percent growth in rates for resident undergraduates. Although not in the general fund budget, new computer fees will yield \$5.5 million if the Board approves the fee for the University of Northern Iowa.

Additional income of approximately \$1.2 million from higher student health fees will benefit the general university budgets to a significant extent.

Additional funding of \$60,000 was provided to each university for improved child care services.

The institutions have utilized their strategic plans in allocating and reallocating funds for fiscal year 1992. The institutions have reallocated funds of approximately \$11.0 million to provide for salary annualization, operation of new buildings and facilities and to offset for price inflation.

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- * Costs of salary annualization and other mandated increases of \$4.5 million, exclusive of University of Iowa Hospitals and Clinics, are funded by reallocations.
- * Operating costs for new and remodeled facilities of approximately \$1.9 million are funded by reallocations and other sources.
- * Price inflation costs (excluding University Hospitals) of at least \$4.6 million for supplies and services, library materials, and utilities are absorbed by reallocation or reduction in purchasing in fiscal year 1992.
- * If supplemental funds are not appropriated for increased health insurance premiums, the institutions will have to absorb the additional cost of \$2 million to \$3 million.

Significant reductions are proposed in full-time equivalent positions:

- * University of Iowa -- 40 positions in Physical Plant and 48 faculty positions.
- * Iowa State University -- 80 faculty and 40 general service staff.
- * University of Northern Iowa -- due to have enrollment growth the number of positions is not reduced but workloads of existing staff are increased.
- * Iowa School for the Deaf -- 3 faculty positions.
- * Iowa Braille and Sight Saving School -- 1 general service staff.

Salary policies are consistent with state policies. No increases were provided except for promotions, mandated costs of fringe benefits and increases in the statutory minimum wage.

University of Iowa Hospitals and Clinics officials proposed rate increases in paying patient charges as follows:

Hospitals and Clinics	4 percent
Psychiatric Hospital	6 percent
Hospital School	6 percent
Hygienic Laboratory	5 percent

Further review of rate increases may be necessary if appropriations are cut further or salaries increased.

Special purpose appropriations will be presented in final form at the Board meeting in July.

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Actions should be undertaken by the institutions and the Board during the current year to adjust programs and services to reflect current funding levels. The strategic goals of the Board for excellence should guide the work of the institutions in their review. Progress reports on the reviews and the full reports and recommendations should be provided to the Board in September and December of 1992.

President Pomerantz stated that the budget figures before the Board were not necessarily good, but they do not hurt the institutions substantially. Two outstanding issues that could have serious impact upon the institutions are the cutbacks of appropriations of 2 percent to 3 percent and the pressing questions relating to salary policies and their financing. The Board of Regents is committed to excellence. Its goals of having the universities and the special schools become the best in the nation for the programs they offer has not and will not change. He said the task before them was to address the serious near-term budget issues and to position themselves to attain their strategic goals. With the Peat Marwick organizational audits four years ago they began a program to examine what they are doing, whether they should be doing it, and how they could do better the things they should continue to do. He said that program was a good start and it yielded important results. One of those outcomes was a process of continual review of programs. The intent of that process of continuous examination is to improve quality, to review the need for programs, and gain in efficiency and effectiveness. He said they should give high priority to a major effort to collapse the time required for those reviews so they can be used to make the significant decisions needed to be made during the next year.

President Pomerantz said they are going to have to focus their efforts by tailoring programs and services to resources. Use of their own institutional processes should allow them to make real gains with less amount of uncertainty and unrest than if done by an outside agency. It should result in a better product because the Regents ought to know their business -- higher education -- better than anyone else. If they do not do it as well as they should, they can call or invite in an external agency to do it. There is not as much time for this comprehensive effort as they would like, but the outcomes from it must be timely in terms of decisions for the FY 1993 budget. The purpose of this intensive effort is not to relieve the State of its obligation to fund the Regent institutions at the level required to attain the highest quality. In fact, the people of Iowa demand no less than the best quality of education for their children. He said the Regents wish to maintain access to the Regent institutions but access to mediocrity is not access. If it is a choice between quality and higher tuition rates, the choice is clear. The State's fiscal condition requires either more revenue or a redistribution of existing revenue. Unless the state revenue pie somehow becomes larger, it must be cut differently.

C O R R E C T E D

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The budget figures before the Board were very preliminary and will change when the Governor acts to reduce appropriations. President Pomerantz noted that the institutions may have to present preliminary budgets again in July. The Board may have to adopt a resolution on the budgets in July to permit the institutions to operate until the final budgets can be approved in August. He then asked institutional heads and Board members to provide their ideas and comments.

President Rawlings said this was the third budget he had submitted to the Board of Regents. The University of Iowa is beginning to achieve national prominence in the areas of medicine and law. They have stepped up faculty research productivity. All these efforts put the University of Iowa in the high rank of American universities. He said the State of Iowa has backed university officials' ambitions. There has been increased support for faculty salaries and undergraduate education. The university has an excellent strategic plan. The University of Iowa is now better known and better respected. He expressed concern that the Board Office had not analyzed the institutional budgets in the same manner it analyzed its own budget. He said the University of Iowa will experience an actual decrease of \$5 million without considering inflation. They need to bring expenditures in line with revenues. He emphasized that they have reached the limits of temporary coping arrangements with these reductions. University officials have made a public commitment to improve the university's quality.

A new threat looms ahead concerning additional cuts in appropriations. President Rawlings said across-the-board cuts in the area of 3 percent will require university officials to make further priority decisions. They will make selective programmatic cuts. Such programmatic cuts were already done to eliminate duplication. He said the alternative to making the cuts is across-the-board mediocrity. He then put the Board of Regents on notice that if the university must make further cuts, university officials will phase down some academic programs and phase out others. The reductions in appropriations to Regent institutions were unfair when compared with state funding for other educational sectors in the state. He said it is time for the Regents to make a strong case to solve this decline in order to allow university officials to meet the aspirations set by the Board of Regents. The universities are in a very competitive environment. Their best faculty can go elsewhere. The university must rebuild momentum next year. Iowa deserves everyone's best effort.

President Pomerantz acknowledged the presence of Representative Johnnie Hammond.

President Jischke said there was no doubt that the Fiscal Year 1992 budget will be a very difficult budget. By and large it is the same budget as last year's. There are unavoidable cost increases. Personnel will see no salary increases. Ninety positions are being eliminated. He hopes that no more than 12 of those employees will actually be laid off. Lack of salary increases is

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a serious issue that affects the university's competitiveness nationally. Even though it is a difficult budget university officials made decisions guided by the strategic plan that the Regents approved. They have given priority to student recruitment, financial aid, strengthening research and technology transfer, and diversity. Their goal to become the best land grant university in the country will take longer than originally anticipated. University officials are also mindful that further reversions are possible. Such reversions could be very damaging to higher education in Iowa. They may be at a point where cuts will jeopardize teaching, research and service. He said it should be clearly understood that university officials cannot avoid reductions in educational services to Iowans. Such reductions could erode the quality of education. University officials will work hard to minimize that erosion.

President Jischke said it was his impression that the people of Iowa place a high priority on quality of education. Decisions of the next several months will be very difficult to make and certainly will require the support of the Board.

President Curris said the comments of the three Regent university presidents concerning the budget were somewhat consistent. They are receiving a dose of reality therapy due to the budget's serious problems. University officials were asking for Board approval of the budget, recognizing it may be changed again. The budget being presented was the best possible budget under serious circumstances. There is a mandate to increase the minimum wage. There are increased health insurance premiums. The University of Northern Iowa is required to spend nearly \$1 million more next year over the previous year while the State is providing \$1.5 million less in funding. There is the very real threat of another across-the-board cut of 3 percent which would reduce University of Northern Iowa's funding by another \$1-1/2 million to \$2 million. The budget being presented was \$3 million to \$3.5 million less than the university received from the State last year and university officials are required to spend almost \$1 million more than last year.

The University of Northern Iowa is experiencing an enrollment increase. The additional students provide additional income. However, President Curris said the education those students deserve costs roughly 3 times what they are paying. University officials find themselves in a Catch-22. This dilemma raises serious questions about the State's priorities. He said the State should not expect to keep its youth. He then noted that the State's fiscal problems are not the result of a poor economy. State revenues will increase 4 percent to 5 percent over the revenues of last year. While State revenues are going up, appropriations to the Regent institutions will be down. In these dire circumstances University of Northern Iowa officials pledge to manage their resources wisely, channel all available resources to high-quality education, and to make whatever progress they can in implementing the vital components of the strategic plan. There is no such thing as a "free lunch".

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When dollars are taken away to appropriate elsewhere something is going to suffer. There will be a reduction in the number of classes available to students. This is a cruel budget to faculty and staff who are asked to do more with less and for less. Reductions will be experienced in programs in such areas as building repair and maintenance, equipment and library. There is a growing discomfort on campus among faculty and staff. University officials need to get that turned around.

President Curris stated that in his career he has prepared university budgets for 21 years. This is the most difficult and discouraging budget he has had to prepare in those 21 years.

President Pomerantz pointed out that the budgets should incorporate the \$20 million in bonding authorization from this legislative session. They need to factor in the bonding because the maintenance programs must go forward.

Superintendent Johnson said the Iowa School for the Deaf budget proposal would probably be revised soon. He said there was nothing he could say that was very encouraging. The non-salary budget items are less than they were 4 years ago, before Peat Marwick and before the school's own internal review. School officials will attempt to determine what initiatives can be made that do not cost money particularly networking with other agencies. The school will continue to provide services.

Superintendent Thurman said the schools' dollar amounts are minuscule compared with the universities but the impact is just as great or greater. Iowa Braille and Sight Saving School is facing possible lay offs and unfilled vacancies. He then discussed what the school is all about. The school was established 139 years ago as the Iowa Asylum for the Blind. The Iowa Braille and Sight Saving School has been a leader in the state in showing that blind people can accomplish things. He said quality of instruction and the ratio of staff to students is the most vital concern at the school. He expressed concern that the very quality of the instructional programming will be affected as the school reduces its efforts in line with reductions in funding. School officials' concern must always be for safety. He expressed concern that safety may become the primary concern rather than teaching. He said they will do their very best but he does have deep concerns.

Mr. Richey discussed the preliminary Board Office budget. He said the budget is 4 percent below the estimate for the current year and 6 percent below where they started. It will end up being 9 percent below last year. The budget reductions require reduced secretarial staff. The Board Office attempted to reallocate for a legal advisor position and lost that. Another position will be lost in academic affairs. He said the budget is out of balance unless they come up with an additional \$19,000. The task will be to keep up the quantity of service to the Board. He intends to try to maintain the level of services and improve the quality.

Regent Williams expressed her appreciation for the presentations by each of the institutional heads and Mr. Richey. She said the overriding theme is the need to phase down and cut out certain programs. She questioned whether in the downsizing university officials are going to follow their strategic plans. Are the areas of excellence going to stay the same or will changes be made to reduce the most expensive programs regardless of the strategic plan? If that were done their missions would change drastically.

President Pomerantz stated the strategic plan review will take place in July and August. What he said he heard from the presentations is that they are very much on the strategic plans. There will be additional focus to eliminate marginal programs. That is the mandate of the Board.

President Jischke said Iowa State University officials remain committed to the strategic plan with the following provisos: 1) conditioned on environmental assessment, 2) constraints as to when and how they can do things, and 3) the time schedule of the strategic goals.

Regent Dorr said it appeared that the University of Northern Iowa marketing strategy has been successful, for which the university has received no rewards. If the marketing and strategic planning works the institutions should not be penalized for their successes.

Regent Hatch said the students are the ones being penalized. She felt the Regents would have to give serious consideration to an enrollment cap. University of Northern Iowa cannot continue accepting students if it cannot offer classes students expect to be able to take.

President Jischke said the Iowa State University mission is three-fold. Much of the university's activity is in the area of research. He noted that as institutions focus and make choices, they do not have the ability to react to the market right away. They need to ride through these cycles. If the reward structure shifts quickly it may be difficult to maintain focus.

Regent Furgerson said the mission statements and strategic planning should assist university officials when things get tough. They really need to focus.

John Longnecker, President of the University of Northern Iowa Faculty Senate, said he would be asking for an enrollment cap. Although it is a most painful thing to do, he agreed that access to mediocrity is not access. They need to protect the educational quality for the current students.

Regent Berenstein said he found Assistant Professor Longnecker's statement rather disturbing. The Regents are in the process of considering issuing bonds for building a dormitory at University of Northern Iowa.

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Regent Furgerson stated that even if the enrollment stayed the same as it is now the new dormitory would allow detripling of currently-tripled dormitory rooms.

President Pomerantz said there should be some reward for superior marketing. On the other hand, two major institutions have experienced a decrease in enrollment and are not discussing reversions because of less student tuition income. As far as University of Northern Iowa's limitation on students, it should remain an intermediate size university. That may mean further refinement of the recruiting process. The enrollment management process should be self contained within the university. The Regent priorities need to be adhered to whether there is or is not adequate funding. This period of stress is caused more because of a fear of the future than any other single factor. In the past 4 years the Regents have received much funding. He said it rarely happens in any organization that in good times the cutting is done that has to be done. He said he could argue this issue as a good thing to happen. A one-year hiatus will be good. The Regents should do their very best and send the appropriate messages. He said there are very few places in the environment we live in where a \$1/2 billion investment gets a \$1-1/2 billion budget. He did not know of another place where citizens can invest in their youth and get a benefit anywhere near that of the education provided at Regent universities. Some of those messages need delivered.

MOTION:

Regent Berenstein moved to approve the report on fiscal year 1992 preliminary budgets with the understanding that further revisions will be necessary when the Governor takes action on reductions across the board in state appropriations. Regent Furgerson seconded the motion, and it carried unanimously.

MOTION:

Regent Williams moved to direct each institution to institute an intensive and comprehensive review of its programs and services designed to increase efficiencies and to adjust those services and programs to the level of available funding; that the recommended actions shall be presented to the Board of Regents by March 1, 1992; to approve the fiscal year 1992 proposed rate increases at the University of Iowa Hospitals and Clinics, as presented, and to approve a fiscal year 1991 budget ceiling increase of \$15,000 for the University of Iowa Oakdale Campus. The institutions shall use to the fullest extent possible the review mechanisms established by the Board as a result of the organizational audits by Peat Marwick Main,

Inc. Regent Furgerson seconded the motion, and it carried unanimously.

(a-1) University of Iowa. The Board Office recommended the Board approve the fiscal year 1992 preliminary general education fund budget for the University of Iowa of \$265,971,906.

The proposed general university operating budget of \$265,971,906 represents a decrease of \$662,712 from the revised fiscal year 1991 budget. However, the funds for increased health insurance premiums of \$766,347 were not provided.

Additional cuts in state appropriations are being proposed. If a 2.5 percent across-the-board cut were enacted, the University of Iowa budget would be reduced an additional \$4.4 million.

University officials do not propose to increase salaries or compensation except for health insurance premium increases, prior promotion commitments, employer share of new medicare insurance taxes and the annualized costs of previously-enacted salary and fringe benefit policies of fiscal year 1991.

The budget being proposed by the University of Iowa supports key areas of the strategic plan including:

- * undergraduate education;
- * programs of identified academic strength;
- * programs without a capacity to rely temporarily upon alternative resources;
- * initiatives focused upon diversity and recruitment of students; and
- * programs with budgets needed to maintain appropriate stewardship of physical assets.

To emphasize undergraduate education, the preliminary budget stresses utilization of more full-time faculty to teach undergraduate courses. This will be made possible due to recent additions to the full-time faculty, projected enrollment declines, and budget reductions for teaching assistants and visiting/adjunct faculty.

The university's commitment to undergraduate education will be addressed by maintaining the student financial aid budget, the library's acquisition budget, and by developing the university's technological infrastructure.

The university will continue to emphasize the funding of graduate and professional programs that are or have the potential to be strong on a national basis.

University officials, in a strategic review of resources, recommended level funding of teaching assistantships, although the attractiveness of University

of Iowa graduate programs to the top graduate students in the nation will decline because of inflationary increases.

The university received a \$60,000 appropriation for child care. This appropriation will be used to provide salary stability for directors of child care centers serving the university community.

Two additional internal auditing positions are provided. These new positions will allow the Office of the Internal Auditor to expand its activities.

University officials will make internal reallocations to fund its new management and financial information system. Funding was not forthcoming during the legislative session.

Utility expenditures for fiscal year 1992 will remain relatively constant to fiscal year 1991. This will be made possible by charging the College of Medicine for opening new building costs for bringing on line the Medical Education Building (Old Psychiatric Hospital).

Building repair projects will be financed by using bonding authorized in House Concurrent Resolution 30. These non-recurring funds will supplant building repair expenditures in the base budget for fiscal year 1992.

The marketing initiative of the University of Iowa was implemented during fiscal year 1991 and included the following steps: that every admitted student be called by a University of Iowa student; that a personal letter be sent by the Chair of the student's academic department or from an academic advisor; and that the Iowa City area Chamber of Commerce send a letter to all parents of admitted students.

University officials project enrollment to decrease during fiscal year 1992 to a Fall headcount of 26,806 in fiscal year 1992 compared to a Fall headcount of 28,045 in fiscal year 1991, a decrease of 1,239 students.

The preliminary budget includes four special purpose appropriations:

* State Tumor Registry	\$187,691
* Center for Biocatalysis and Bioprocessing	300,000
* Iowa Center for Agriculture Safety and Health	246,093
* Iowa Substance Abuse Consortium for Research and Evaluation	60,000

University officials submitted a preliminary athletic budget. This budget has not been approved by the University of Iowa Finance Committee of the Board of Control of Athletics or the Board of Control of Athletics. The preliminary budget reflects revenues of \$16.5 million and expenditures of \$16.4 million resulting in a net increase to the operating balance of \$0.1 million.

ACTION: Action on this matter was taken under G.D. 6,
Preliminary Budgets for Fiscal Year 1992.

(a-2) University of Iowa Medical Units. The Board Office recommended the
Board:

(1) Approve the fiscal year 1992 preliminary budgets for the following budget
units:

University of Iowa Hospitals and Clinics	\$287,133,000
Psychiatric Hospital	12,670,800
Hospital School	6,906,100
Hygienic Laboratory	4,362,200
Specialized Child Health Services	634,200

(2) Approve the fiscal year 1992 proposed rate increases as follows:

University Hospitals and Clinics	4 percent
Psychiatric Hospital	6 percent
Hospital School	6 percent
Hygienic Laboratory	5 percent

The proposed preliminary operating budget for the University of Iowa Hospitals and Clinics for fiscal year 1992 is \$287,133,000, an increase of 3.8 percent above the fiscal year 1991 revised budget. However, this includes \$95,117 for health insurance premiums which are not funded. Hospital officials requested approval of a 4 percent rate increase.

The preliminary operating budget for the Psychiatric Hospital for fiscal year 1992 is \$12,670,800. This is an increase of 2.36 percent over the fiscal year 1991 revised budget. This includes \$28,459 for health insurance premiums that are not funded. Psychiatric Hospital officials requested approval of a 6 percent rate increase.

The preliminary operating budget for the University of Iowa Hospital School for fiscal year 1992 is \$6,906,100, an increase of 1.12 percent over the fiscal year 1991 revised budget. This includes \$34,964 for health insurance premiums that are not funded. Hospital School officials requested approval of a 6 percent rate increase.

The preliminary operating budget for the University of Iowa Hygienic Laboratory for fiscal year 1992 is \$4,362,200, an increase of 2.30 percent over the fiscal year 1991 revised budget. This includes \$19,307 for health insurance premiums that are not funded.

Hygienic Laboratory officials requested approval of a 5 percent rate increase.

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The preliminary operating budget for the Specialized Child Health Care Services is \$634,200. However, this includes \$2,910 for health insurance premiums that are not funded. This is an increase of .46 percent over the fiscal year 1991 revised budget.

Further state appropriation reductions are anticipated. If a 2.5 percent across-the-board cut were enacted, the medical unit budgets would be reduced as follows:

* University Hospitals and Clinics	\$715,000
* Psychiatric Hospital	170,000
* Hospital School	135,000
* Hygienic Laboratory	75,000
* Specialized Child Health Services	11,000

ACTION: Action on this matter was taken under G.D. 6, Preliminary Budgets for Fiscal Year 1992.

(a-3) University of Iowa Oakdale Campus. The Board Office recommended the Board (1) approve a fiscal year 1991 budget ceiling increase of \$15,000 and (2) approve the preliminary budget for fiscal year 1992 of \$3,466,889 for the University of Iowa Oakdale Campus.

The Oakdale Campus anticipates increased revenues from indirect costs and other income of \$15,000. The \$15,000 budget ceiling increase will be expended on building repairs to replace windows in Oakdale Hall.

The Oakdale Campus preliminary budget for fiscal year 1992 is \$3,466,889, or a decrease of \$47,002 from the revised fiscal year 1991 budget. However, included in the budget is \$6,706 for health insurance increases which are not funded.

Additional state appropriation reductions are anticipated. If a 2.5 percent across-the-board cut was enacted, the budget would be reduced approximately \$70,000.

The Oakdale Campus mission is to provide a working environment to stimulate research and convert research activities to private use.

The Oakdale Campus includes the University Hygienic Lab, the Center for Advanced Studies, and the Technology Innovation and Small Business Development Centers.

The Oakdale Campus state appropriation decreased by \$16,711 from the fiscal year 1991 revised appropriation.

ACTION: Action on this matter was taken under G.D. 6, Preliminary Budgets for Fiscal Year 1992.

(a-4) University of Iowa Family Practice Program. The Board Office recommended the Board approve the fiscal year 1992 preliminary budget of \$1,822,305 for the Family Practice Program.

The fiscal year 1992 preliminary budget is \$1,822,305 for the Family Practice Program. This is a decrease of \$15,266 from the fiscal year 1991 revised budget. However, this amount does not include \$2,058 for health insurance premiums which were not provided.

Further state appropriation reductions are anticipated. If a 2.5 percent across-the-board reduction was enacted, it would reduce the budget by approximately \$45,000.

The Family Practice Program's mission is to provide community-based training for family practice residency programs.

The Family Practice Program will reduce expenditures for faculty salaries by \$44,091 and professional and scientific supplies by \$11,022.

ACTION: Action on this matter was taken under G.D. 6, Preliminary Budgets for Fiscal Year 1992.

(b) Iowa State University. The Board Office recommended the Board (1) approve the Iowa State University general university preliminary operating budget for fiscal year 1992 of \$213,476,923; (2) approve the Iowa State University Agriculture and Home Economics Experiment Station preliminary operating budget for fiscal year 1992 of \$25,477,447; and (3) approve the Iowa State University Cooperative Extension Service preliminary operating budget for fiscal year 1992 of \$24,459,813.

The proposed general university operating budget of \$213.5 million for fiscal year 1992 represents a decrease of approximately \$8,000 from the fiscal year 1991 revised budget. However, this includes \$629,145 for health insurance increases which are not funded at this time.

Additional state appropriation reductions are being considered. If a 2.5 percent across-the-board cut were enacted, the university's budget would be reduced a further \$3.6 million.

Due to the magnitude of the appropriation reductions, revenue shortfalls and unavoidable cost increases, only essential programmatic allocations consistent with and intended to help implement the university's strategic plan remain in the fiscal year 1992 budget.

University officials stress that the budget for fiscal year 1992 has resulted in a major setback to its strategic planning objectives. Almost every operation of the university has been affected.

The budget does not provide for salary increases. Reallocations within the budget are necessary to fund health insurance increases, increases in employer's share of the medicare tax, annualization costs due to activities initiated within fiscal year 1991, and previously agreed to promotions.

The university must absorb increases in student labor costs due to the anticipated minimum wage increase.

Throughout the process of preparing the preliminary budget, the strategic plan served as the basis for budget reduction planning and strongly influenced the reallocations made for programmatic needs.

Preliminary budget planning reflects a reduction of 80 FTE faculty positions and 40 FTE staff positions, dramatically reducing program effectiveness in instructional and administrative services.

In the review process undertaken by Iowa State University, some cuts in the base will be permanent while others will change based upon the strategic plan.

The university's first objective was to meet its instructional responsibilities. In order to achieve this goal, the university found it necessary to drop several elective course offerings from the fall schedule and some required courses will be offered with less frequency.

A second priority initiative was student recruitment. Demographics indicate that the university's prospective student population is declining and more aggressive recruitment efforts will be necessary to meet the enrollment goals outlined in its strategic plan.

A third priority of the university was to maintain research commitments. The university will open three major research facilities in fiscal year 1992. The university will provide partial funding for the opening of the Molecular Biology Building which will provide faculty access to state-of-the-art research facilities. The Meats Laboratory Addition and Dairy Industry Addition will also be opened during fiscal year 1992 to augment research capabilities. These openings will require \$332,000 from internal reallocations.

Other core activities that university officials preserved in accordance with the strategic plan were library acquisitions and computing support. A part of the library allocations will be used to deal with the increase in the minimum wage for student labor.

In the area of computing resources, university officials will reduce general fund support slightly but will still be able to provide strong programming in this area due to the continuation of Project Vincent. The student computing fee, which is outside the general fund budget, will increase the accessibility

of computing particularly in the non-science fields and contribute to the university's goal that all graduates be computer literate.

The university's internal assessment process provides additional funding for undergraduate scholarships and graduate scholarships. It is anticipated that these commitments will aid in student recruitment and improving the attractiveness of the graduate program at Iowa State University.

The university received a \$60,000 appropriation for child care. This appropriation will be used for evening and sick child care which are two unmet needs in the Ames community.

University officials proposed additional funding for utility inflation. A portion of this increase is due to the cost of purchased utilities with the remainder being attributed to increased costs of ash disposal as a result of new environmental regulations.

University officials have drastically reduced its building repairs and equipment budget. It will offset this temporary reduction from bond authorization of approximately \$2 million in non-recurring funds. The university stresses that these funds need to be replaced in the base budget in fiscal year 1993 on a recurring basis or further erosion of the physical plant will be experienced in future years.

University officials requested funding for its financial management information system which was not forthcoming during the legislative process. The university will move forward with internal reallocations to start planning processes within fiscal year 1992. The university stresses that if major progress is to be made in improving its financial management system, State appropriations will be necessary in fiscal year 1993.

Iowa State University officials submitted a preliminary athletic budget summary indicating total income for fiscal year 1992 of \$11.2 million and expenditures of \$11.2 million resulting in no change to the operating balance for fiscal year 1992. The general fund subsidy amounts to \$1.2 million.

The proposed preliminary operating budget for the Agriculture and Home Economics Experiment Station for fiscal year 1992 is \$25.5 million, a decrease of approximately \$100,000 from the fiscal year 1991 revised budget. This funding level will not allow the Experiment Station to undertake new initiatives. Current programs will be eroded during fiscal year 1992 because of price inflation. The Agriculture Experiment Station will hold open 29 positions during fiscal year 1992 due to reduced funding.

The proposed preliminary operating budget for the Cooperative Extension Service for fiscal year 1992 is \$24.5 million. The Cooperative Extension budget represents an increase of approximately \$400,000 over the fiscal year 1991 revised budget. However, this includes \$81,967 for health insurance

premiums which are not provided. The Cooperative Extension Service will hold open 16 positions during fiscal year 1992 due to reduced funding.

ACTION: Action on this matter was taken under G.D. 6, Preliminary Budgets for Fiscal Year 1992.

(c) University of Northern Iowa. The Board Office recommended the Board approve the fiscal year 1992 preliminary operating budget of \$82,872,920.

The University of Northern Iowa has experienced thus far a decrease in state appropriations of \$31,000 from the revised fiscal year level and \$1,712,916 below the original level before deappropriations. This amount includes \$221,690 for health insurance premiums not funded at this time.

The university estimates increases in tuition and fees revenues of \$1.5 million over fiscal year 1991 due to enrollment growth of 312 students and increases in tuition rates.

The proposed University of Northern Iowa budget for fiscal year 1992 is \$82,872,912. Even though there is a budget increase of \$1.4 million from the revised fiscal year 1991 budget, due to the reduced appropriations in fiscal year 1992, unfunded obligations in other budget categories, and funding for essential services required for students as a result of enrollment growth, reductions will have to be made in every college and all divisions of the university.

A proposed across-the-board cut in appropriations is being considered. If a 2.5 percent cut were imposed, the University of Northern Iowa budget would be reduced by an additional \$1.5 million.

Funding for salary increases in fiscal year 1992 was vetoed.

The university has received no funding for health insurance premium increases and annualization costs of salary increases in fiscal year 1991. These unfunded costs amount to \$475,000.

The university received a \$60,000 appropriation to offer child care services for children of university students. These funds will be used to hire additional staff and to rent appropriate space near campus.

Among the most serious consequences of these reductions is the limited number of new faculty positions during a period of increasing enrollment. The university will address this issue by adjusting class size, hiring adjunct faculty and possibly reducing classes offered.

Progress toward the university's strategic goals will be placed on hold due to budget constraints. Required programmatic reductions and/or reallocations

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included in this budget presentation are consistent with the university's mission, goals, and objectives.

The university increased expenditures for professional and scientific supplies (7.0 percent) and library acquisitions (5.74 percent). These increases will lag inflationary increases when taking into consideration increasing demands due to enrollment growth.

If additional decreases are experienced during fiscal year 1992, university officials propose layoffs of faculty and staff.

The fiscal year 1992 state appropriations include \$250,000 for the Applied Technology Program and \$550,000 for the Institute for Decision Making. For consistency in presentation, the University of Northern Iowa has included appropriations for these two items in fiscal years 1990 and 1991. Previously, these programs had been funded in special purpose appropriations outside of the general fund budget area.

University of Northern Iowa officials proposed a preliminary athletic budget that includes revenues of approximately \$3.6 million and expenditures of \$3.5 million.

ACTION: Action on this matter was taken under G.D. 6, Preliminary Budgets for Fiscal Year 1992.

(d) Iowa School for the Deaf. The Board Office recommended the Board approve the fiscal year 1992 preliminary budget of \$6,309,707 for the Iowa School for the Deaf.

Iowa School for the Deaf officials proposed a budget for fiscal year 1992 of \$6,309,707. This is an increase of .34 percent or \$21,656 from the fiscal year 1991 revised budget. However, this includes \$28,826 for health insurance premiums which is not provided.

Further state appropriation reductions are anticipated. If a 2.5 percent across-the-board cut is enacted, this budget would be reduced approximately \$151,000.

Iowa School for the Deaf officials are not increasing salaries due to the item veto of salary policy in fiscal year 1992. The school will temporarily fund salary annualization (\$68,000) and degree advancements through internal reallocations. Funding for these reallocations will be considered during the supplemental appropriation request process.

The preliminary budget proposed by the Iowa School for the Deaf officials eliminates three faculty positions due to budgetary reductions in fiscal year 1991 that have affected the base for fiscal year 1992. This reduction in

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staff will have an impact on the school's strategic plan concerning innovative teaching and fostering the development of instructional strategies.

Additionally, the budgetary reductions in fiscal year 1991 that impact on fiscal year 1992 base amounts will impact on the school's strategic plans pertaining to outreach programming.

The Iowa School for the Deaf will continue an ongoing evaluation of existing programs and analysis of developing needs both within the school and throughout the State of Iowa for hearing impaired students.

In preparing the budget, Iowa School for the Deaf officials reallocated three merit positions and one faculty position to the professional and scientific classification.

The Iowa School for the Deaf will need to reduce additional staff positions if any further reductions are experienced throughout fiscal year 1992. These reductions will be reviewed taking into consideration the Iowa School for the Deaf's strategic plan.

ACTION: Action on this matter was taken under G.D. 6, Preliminary Budgets for Fiscal Year 1992.

(e) Iowa Braille and Sight Saving School. The Board Office recommended the Board approve the fiscal year 1992 preliminary budget of \$3,592,660 for the Iowa Braille and Sight Saving School.

Iowa Braille and Sight Saving School officials proposed a budget for fiscal year 1992 of \$3,592,660. This is an increase of .15 percent, or \$5,356 from the fiscal year 1991 revised budget. However, this includes \$18,786 for health insurance premiums which was not funded.

Further state appropriation reductions are anticipated. If a 2.5 percent across-the-board cut were enacted, this budget would be reduced approximately \$85,000.

Iowa Braille and Sight Saving School officials are not increasing any salaries due to the item veto of salary policy in fiscal year 1992. The school will fund salary annualization and degree advancements through internal reallocations. These items will be considered during the supplemental appropriation request process.

The preliminary budget proposed by the Iowa Braille and Sight Saving School officials provides programs for the visually impaired from early childhood through secondary education.

The educational program being proposed in this preliminary budget provides that residential students will have available activities and experiences on a 24-hour basis as an integral part of their programs.

Additionally, services that will be provided through this preliminary budget include state outreach services and a demonstration center for the education of the visually impaired.

Due to budgetary constraints the Iowa Braille and Sight Saving School undertook programmatic review of class services provided to students. The Iowa Braille and Sight Saving School reduced as many of these services as it could while still providing a safe environment and superior educational opportunity for students.

The Iowa Braille and Sight Saving School will continue an ongoing evaluation of existing programs and analysis of developing needs both within the school and throughout the State of Iowa for visually impaired students.

The school remains flexible so as to respond quickly and effectively to the needs of children and youth with visual impairments in the State of Iowa.

If additional reductions are experienced in fiscal year 1992, the Iowa Braille and Sight Saving School will need to review further reductions within after hour services provided to resident students, outreach programs, and the basic education programs provided to students on campus.

ACTION: Action on this matter was taken under G.D. 6, Preliminary Budgets for Fiscal Year 1992.

(f) Board of Regents Office. The Board Office recommended the Board approve the preliminary budget for the Board of Regents Office for fiscal year 1992 in the amount of \$1,131,804.

The proposed budget for fiscal year 1992 is 5.7 percent below the original budget for fiscal year 1991 and is 4 percent below the revised estimate of expenditures for fiscal year 1991.

The proposed budget based on presently-appropriated resources would require the layoff of the Assistant Director for Academic Affairs for one-half of the fiscal year and the elimination of one half-time secretarial position.

If the anticipated cutback of appropriations occurs at the level of two and one-half to three percent, the position of Assistant Director of Academic Affairs would have to be vacated by layoff for most of the fiscal year.

The staffing level in the office for fiscal year 1992 is expected to be three full-time equivalent positions below the actual staffing level of fiscal year 1990, a 15 percent reduction.

Anticipated expenditures for other operating expenditures in fiscal year 1992 are projected at the actual level of fiscal year 1991, except for adjustments for Board expense because of the different configuration of travel required for changing membership.

The budget for office equipment is projected at the originally-budgeted level for fiscal year 1991 of \$3,000.

Staff services in the Board Office will undoubtedly be reduced in quantity during fiscal year 1992 because of the seriously reduced staffing levels.

The proposed Board Office budget of \$1,131,804 in fiscal year 1992 would require salary savings of \$19,300. This reduction in staffing would be in addition to reductions in positions made during the past year and one-half. It provides for no salary increases except for the cost of annualization and increases in health insurance premiums.

The staffing complement in the Board Office in fiscal year 1992 will be three positions below the authorized and funded level for fiscal year 1990. They include the Director of Human Resources, Secretary II, and the Assistant Director for Academic Affairs. Reductions of this magnitude will affect the quantity of services the office is capable of producing. The duties of the Director of Human Resources have been assigned to the Deputy Director/Director of Academic Affairs. The duties of the Secretary II have been assigned to the other senior secretaries in the office, which has caused widespread disruption in their work because of unavoidable interruptions for phone calls. The layoff of the person in the position of Assistant Director of Academic Affairs in early fiscal year 1992 will require the transfer of the Research Analyst from the Business and Finance Unit to the Academic Affairs Unit. Additional duties, largely in the Academic Affairs area, have been assigned to the Director of Planning and Policy Analysis.

The functions of coordination of legal services and risk prevention have been assumed by the Executive Director with the assistance of the Deputy Director. Because of heavy duties in the area of Academic Affairs and new responsibilities for leadership of the Human Resources Unit, the Deputy Director will be able to perform only limited services in this area. Both the Executive Director and the Deputy Director lack legal training. Consequently, the Board of Regents is at some risk in this area. The Office of the Attorney General has assigned additional resources to the Board and its institutions, but the overall coordination and monitoring of cases and of risk will be done on a part-time basis.

The other operating expenditures for the Board are projected at approximately the same level as the current fiscal year with nominal adjustments. The amount budgeted for travel of Board members has been adjusted to reflect the different patterns for travel required for new Board members. The amount

budgeted for office equipment at \$3,000 is nominal, given the demands of the office.

The savings from positions that were eliminated during fiscal year 1991 were reallocated in part to purchase essential equipment in the current year. That equipment included data processing machines for the Director of Business and Finance, the Associate Director of Business and Finance, and the Assistant Director of Human Resources. In addition, nine positions were tied in and given access to the laser jet printers. Because of complaints from the institutions and the serious need for faster and more capable telefax machines, the current one was replaced. The office still faces major equipment needs for computerization as noted by Peat Marwick.

A major problem in the Board Office budget for fiscal year 1992 relates to the unfunded cost for salary annualization and increases in health insurance premiums. These amounts total \$33,044. Even after savings from abolishing the position of Director of Human Resources and elimination of the part-time secretarial position, these mandated costs cannot be absorbed. Consequently, supplemental appropriations should be provided for fiscal year 1992.

The final budget for fiscal year 1991 for the Board of Regents office will be presented to the Board in July. It will include the impact of any across-the-board reductions that are made by the Governor by that time.

ACTION: Action on this matter was taken under G.D. 6, Preliminary Budgets for Fiscal Year 1992.

CAPITAL PROGRAM FOR FISCAL YEAR 1992. The Board Office recommended the Board (1) receive the report on the Board of Regents fiscal year 1992 capital program and (2) receive the preliminary bond issuance schedule as outlined for the three universities with the final schedule being presented to the Board at the July meeting.

A status report was provided for major projects underway at the three universities. Six projects were listed for the University of Iowa, three projects were listed for the University of Iowa Hospitals and Clinics, seven projects were listed for Iowa State University, and five projects were listed for the University of Northern Iowa.

House Concurrent Resolution (HCR) 30 of the 74th General Assembly provided \$20 million Academic Building Revenue Bond authorization for the universities' fiscal year 1992 capital program. HCR 30 specifies that the \$20 million bond authorization be used to fund fire and environmental safety, deferred maintenance, equipment, and utility projects at the Regent universities according to the following proportioning:

University of Iowa	\$8,038,600
Iowa State University	\$8,058,400
University of Northern Iowa	\$3,903,000

The Board Office proposed under separate docket items (B.C. 2 and G.D. 8) the refunding of the three separate issues of outstanding Academic Building Revenue Bonds. These issues are merged in the preliminary bond issuance schedule.

The evaluation of the refunding schedule is still underway. A final schedule of bond issuance will be presented to the Board in July.

The Board Office recommended issuance of the \$20 million bond authorization according to the following schedule:

August 1991	Iowa State University	\$8,058,400
March 1992	University of Iowa	\$8,038,600
May or June 1992	University of Northern Iowa	\$3,903,000

For fiscal year 1992, University of Iowa Hospitals and Clinics officials project the initiation of projects with costs estimated at \$13,804,800 subject to availability of funds. These projects will be completely funded by University Hospitals Building Usage Funds with no state appropriations.

No direct capital funding was received for the special schools for fiscal year 1992.

President Pomerantz clarified that all the bonding funds are to be used for deferred maintenance highest priorities. He urged everyone not to cause a problem. The Regents' credibility is very much on the line regarding these funds. He asked that extraordinary care be used concerning these funds.

ACTION: President Pomerantz stated the Board, by general consent, (1) received the report on the Board of Regents fiscal year 1992 capital program and (2) received the preliminary bond issuance schedule as outlined for the three universities with the final schedule being presented to the Board at the July meeting.

REPORT OF THE BANKING COMMITTEE. The Board Office recommended the Board tentatively approve the refunding of Series I.S.U. 1983, Series S.U.I. 1984 and Series I.S.U. 1984 Academic Building Revenue Bonds, subject to further evaluation and final approval in July.

Regent Fitzgibbon reported on the Banking Committee meeting held earlier that morning. He said the Regents had received materials concerning a proposal for refunding of Academic Building Revenue Bonds. A report on the refunding will

be presented in July. The Banking Committee members received a preliminary bonding schedule. Due to the refunding and the structuring of the bonding schedule, Regent Fitzgibbon asked the Board Office to send out materials to all the Regents in sufficient time prior to next month's meeting to allow for thorough review. The sale and award of \$5.53 million in Academic Building Revenue Bonds, Series U.N.I. 1991, and the sale and award of \$2.18 million in Revenue Bond Anticipation Project Notes, Series U.N.I. 1991, were discussed at the Banking Committee meeting. Those sales will be handled in a subsequent docket item.

Regent Fitzgibbon said the Banking Committee members discussed the status of Requests for Proposals for financial advisor, bond counsel and master lease agreements. The committee received an update on the internal audit report for the Iowa State University Bookstore and met the new bookstore manager. The last item discussed at the Banking Committee meeting was the internal audit of travel at the University of Iowa.

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

ISSUANCE OF \$5.5 MILLION ACADEMIC REVENUE BONDS AND \$2.2 MILLION IN REVENUE BOND ANTICIPATION PROJECT NOTES, UNI SERIES 1991. The Board Office recommended the Board, subject to the receipt of acceptable bids:

Academic Building Revenue Bonds

- (1) Adopt a resolution providing for the sale and award of \$5.53 million Academic Building Revenue Bonds, Series U.N.I. 1991, 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 \$5.53 million Academic Building Revenue Bonds, Series U.N.I. 1991, for the purpose of defraying all or a portion of the cost of making fire and life safety deficiency corrections and of remodeling, equipping and improving Seerley Hall located on the campus of the University of Northern Iowa, and paying certain costs of issuing the bonds.

Academic Building Revenue Project Notes

- (1) Adopt a resolution providing for the sale and award of \$2.18 million Academic Building Revenue Project Notes, Series U.N.I. 1991, and approving and authorizing the agreement of such sale and award.
- (2) Adopt a resolution authorizing and providing for the issuance of \$2.18 million Academic Building Revenue Project Notes.

Academic Building Revenue Bonds

The proposed action authorizes the sale of \$5.53 million in Academic Building Revenue Bonds to finance the remodeling and equipping of Seerley Hall and the correction of fire safety deficiencies at the University of Northern Iowa.

The Seerley Hall remodeling project budget is \$4.7 million. The fire safety deficiency correction project budget is \$830,000.

The \$5.53 million bond sale represents the portion of Academic Building Revenue Bonds authorized for the University of Northern Iowa by the 73rd General Assembly, second session.

The original authorization from the 73rd General Assembly, second session, for all Regent universities was \$41.3 million.

Bond Specifics

Average maturity: 17.82 year

Bonds Dated: July 1, 1991

Interest Due: January 1 and July 1, commencing January 1, 1992

Optional Call: Bonds maturing on or after July 1, 2003, are callable at par value

Denomination: \$5,000 and integral multiples thereof

Revenue Bond Anticipation Notes

The proposed action authorizes the sale of \$2.18 million in Revenue Bond Anticipation Notes to finance the completion of the remodeling of Wright Hall and the completion of the planning and design for an addition to the Donald O. Rod Library at the University of Northern Iowa.

These projects were originally funded by State appropriations authorized by the 1989 General Assembly. The funding was deappropriated during the 1991 session. Funding has been authorized through the Revenue Bond Anticipation Notes as a short-term vehicle pending a long-term funding source.

Approximately \$1.8 million of the Note proceeds will be used for the remodeling of Wright Hall now under contract.

Approximately \$350,000 of the Note proceeds will be used for planning and design for an addition to the Donald O. Rod Library.

Note Specifics

Maturity Date: August 1, 1994
Notes Dated: July 1, 1991
Interest Due: February 1 and August 1 commencing February 1, 1992
Denomination: \$5,000 and integral multiples thereof

Mr. Anderson stated that bids were received at 11:30 a.m. that day for two debt offerings. Two bids were received for each of the offerings. For the academic building revenue bonds, the bids received were as follows:

Merrill Lynch bid a price of \$5,530,048.50 for a net effective rate of 6.2693 percent.

Chiles Heider, Division of Lehman Brothers, bid a price of \$5,530,038.60 for a net effective rate of 6.21149 percent.

Mr. Anderson said the bids were excellent and recommended the Board accept the bid of Chiles Heider, Division of Lehman Brothers.

MOTION:

Regent Fitzgibbon moved to adopt a resolution authorizing and providing for the issuance and securing the payment of \$5.53 million Academic Building Revenue Bonds, Series U.N.I. 1991, for the purpose of defraying all or a portion of the cost of making fire and life safety deficiency corrections and of remodeling, equipping and improving Seerley Hall located on the campus of the University of Northern Iowa, and paying certain costs of issuing the bonds. Regent Berenstein seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: None.

MOTION:

Regent Fitzgibbon moved to adopt a resolution providing for the sale and award of \$5.53 million Academic Building Revenue Bonds, Series U.N.I. 1991, and approving and authorizing the agreement of such sale and award. Regent Berenstein seconded the motion, and upon the roll being called, the following voted:

AYE: Berenstein, Dorr, Fitzgibbon,

Furgerson, Hatch, Johnson, Pomerantz,
Tyrrell, Williams.
NAY: None.
ABSENT: None.

Mr. Anderson stated that 2 bids were received for the revenue bond anticipation notes, as follows:

Dain Bosworth bid a price of \$2,180,348.80 for a net effective rate of 5.344 percent.

Chiles Heider, Division of Lehman Brothers, bid a price of \$2,181,395.20 for a net effective rate of 5.27924 percent.

Mr. Anderson said the bid of Chiles Heider, Division of Lehman Brothers, was the better bid and recommended the Board accept the bid.

MOTION: Regent Fitzgibbon moved to adopt a resolution authorizing and providing for the issuance of \$2.18 million Academic Building Revenue Project Notes. Regent Williams seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Dorr, Fitzgibbon, Furgerson, Hatch, Johnson, Pomerantz, Tyrrell, Williams.
NAY: None.
ABSENT: None.

MOTION: Regent Fitzgibbon moved to adopt a resolution providing for the sale and award of \$2.18 million Academic Building Revenue Project Notes, Series U.N.I. 1991, and approving and authorizing the agreement of such sale and award. Regent Berenstein seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Dorr, Fitzgibbon, Furgerson, Hatch, Johnson, Pomerantz, Tyrrell, Williams.
NAY: None.
ABSENT: None.

ANNUAL REPORT ON EARLY AND PHASED RETIREMENT PROGRAMS. The Board Office recommended that the Board (1) receive reports from the institutions on the operations of phased retirement programs in 1990-91; (2a) receive reports from the institutions on the operation of early retirement incentive programs in 1990-91 and (2b) establish a present value rate of 5.7 percent for lump sum

payout under the early retirement program for fiscal year 1992; and (3) continue to study both retirement programs and decide in the Fall of 1991 whether or not they should be discontinued, modified, or left in place unchanged.

Phased retirement programs for university faculty were first approved by the Board in 1982 and were subsequently extended to all faculty and staff.

In fiscal year 1990 twenty-eight faculty, professional and scientific and merit system employees at three institutions participated in phased retirement. The total cost of incentives provided under the program was \$280,381. The amount of released funds was \$771,738. Released funds were available for staff replacement and reallocations.

New participants in phased retirement during the past three years numbered 59 at the University of Iowa, 14 at Iowa State University, 12 at the University of Northern Iowa and none at the Iowa School for the Deaf or Iowa Braille and Sight Saving School.

Both the phased retirement and early retirement programs will terminate June 30, 1992, unless renewed by the Board. The institutions and the Board Office are studying the operation of the programs, analyzing costs and benefits, and surveying institutional departments. This study will be presented to the Board in the Fall of 1991.

Effective July 1, 1986, the Board approved an early retirement program for faculty and professional and scientific staff at Regent institutions. Beginning July 1, 1990, employees in the Regent Merit System were eligible to participate in the early retirement program.

In fiscal year 1991 262 faculty and staff members at the five institutions participated in the early retirement program. This is a significant increase over fiscal year 1990 when there were 91 early retirement participants. This is due, for the most part, to inclusion of Regent Merit System employees.

The institutions report that program participation by these individual releases \$33 million in salary obligations in future years. These released funds will be off-set by staff replacements.

Lump sum payments to participants in the early retirement program are discounted. For fiscal year 1991 the Board approved a present value discount rate of 7.7 percent. The recommended rate of 5.7 percent for fiscal year 1992 represents an average of current rates earned on 90-day and one-year Treasury Bills.

Mr. Richey stated that in fiscal year 1991 the Board of Regents extended the retirement options to Merit System employees which amounts to approximately 8,000 to 9,000 additional employees who qualify for these programs.

Regent Dorr asked if it would be possible to provide a more specific cash flow analysis including future value versus released funds rather than assumptions. Mr. Richey said that information would be included in the report to be presented to the Board this fall.

Regent Dorr expressed concern that retirement options for the purpose of saving money could denigrate the quality of the product by replacing employees with lower cost people. Regent Fitzgibbon said that needs to be monitored closely. President Pomerantz said it was a managerial issue. Mr. Richey said those issues will also be addressed in the study coming to the Board this fall.

MOTION:

Regent Hatch moved to (1) receive reports from the institutions on the operations of phased retirement programs in 1990-91; (2a) receive reports from the institutions on the operation of early retirement incentive programs in 1990-91 and (2b) establish a present value rate of 5.7 percent for lump sum payout under the early retirement program for fiscal year 1992; and (3) continue to study both retirement programs and decide in the Fall of 1991 whether or not they should be discontinued, modified, or left in place unchanged. Regent Furgerson seconded the motion, and it carried unanimously.

FACULTY SALARY SCHEDULE FOR SPECIAL SCHOOLS. The Board Office recommended that the Board approve, consistent with the Governor's veto of major portions of salary and appropriations bills, an extension of the current salary schedule for teachers at Iowa School for the Deaf and Iowa Braille and Sight Saving School and direct that step increases based on length of service be suspended until funding is provided.

The Governor vetoed salary increases for state employees. Consistent with the actions of the Governor it was recommended that the current salary schedule be extended and that step increases be suspended until funding is provided. Remuneration based on additional educational achievement or certifications will continue to be provided.

While no increases will be provided in 1991-92 for teachers at schools for the deaf and blind in some neighboring states, pay schedules for other K-12 schools in Iowa will increase on average by 4.1 percent, average salaries will increase by 5.7 percent and total compensation by 6.2 percent. Average salary increases for teachers at Iowa School for the Deaf and Iowa Braille and Sight Saving School, which were 7 percent in 1989-90 and in 1990-91, exceeded the average increase for K-12 teachers in Iowa in those years.

MOTION:

Regent Hatch moved to approve, consistent with the Governor's veto of major portions of salary and appropriations bills, an extension of the current salary schedule for teachers at Iowa School for the Deaf and Iowa Braille and Sight Saving School and direct that step increases based on length of service be suspended until funding is provided. Regent Dorr seconded the motion, and it carried unanimously.

PAY PLAN FOR REGENTS MERIT SYSTEM. The Board Office recommended that, consistent with the Governor's veto of major portions of salary and appropriations bills, the Board extend pay schedules for Merit System supervisory, blue collar, security, technical and clerical employees effective July 1, 1991, and suspend the provision of step increases.

The General Assembly approved legislation to implement an arbitrator's award of salary increases for employees in collective bargaining units and provide a 2 percent increase for other employees and prohibiting merit step increases or their equivalent. The Governor vetoed provisions for pay plan and salary increases for state employees. Prohibition of merit step increases or their equivalent was retained in the legislation.

The recommended action would implement the legislation as signed by the Governor.

Kathy Shaffer, President, University of Iowa AFSCME Local 12, stated that the Physical Plant, which maintains over 100 buildings on campus, is downsizing by 97 positions. This downsizing means that 17 percent of the staff who maintain those buildings are eliminated as of the end of this month. Fortunately, 2 other physical plant departments at the university are not downsizing. Those two departments maintain the Memorial Union and University of Iowa Hospitals and Clinics. The lay offs were originally to take effect April 22 but on March 1 the employees were given a two-month extension. Through attrition many employees have been placed in other jobs. There are approximately 12 people left who will be laid off if not placed before the end of this month.

Ms. Shaffer stated that reducing the maintenance by 17 percent will have a tremendous impact on the appearance of the University of Iowa campus. At least as important as the appearance of the campus are the structures themselves. By ignoring such a vast quantity of maintenance, she said the basic structural problems will be left unrepaired. The long-range effects of poor maintenance are enormous and costly. Employees believe they have part of the solution. Rather than contracting work to outside companies, she asked that the Physical Plant Department be allowed to fulfill its purpose. In a recent meeting with administrators, George Droll, Director of Residence Services, informed them that several jobs were offered to the Physical Plant

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in recent months, but were turned down due to lack of personnel. Those jobs included plumbing work and the painting of residence halls. She said four plumbers and four painters have been laid off. Additionally, in less than one month, over 34 outside companies have been observed working on the University of Iowa campus. The companies were not working on new construction, but on repair jobs and small remodeling jobs that the university has the staff, equipment and expertise to perform. These jobs totalled over \$6,700,000. She said that obviously, the money is there to have these jobs done. Why is the university not using its own people to do them? Why is equipment laying idle?

Ms. Shaffer said one of the byproducts of contracting out is lower morale among those employees left. She said there are other documented costs of contracting out such as the cost of administering the contracted out work and the contractor's profit. These factors are not a cost item if the university's employees are allowed to do the work. She said monitoring is necessary to detect inferior work. One recent example: thousands of dollars were recently spent in the Chemistry/Botany Building for a fire alarm system that has not worked correctly since its installation. This work was contracted to Gerard Electric. Recently, the Physical Plant Department's electronic services merit workers reworked the entire system correctly. She said university employees can do the work cheaper, faster and with pride of ownership. She said the legislature has set aside several million dollars for deferred maintenance. It was her understanding that a great deal of this money will be needed for major roof repair on several University of Iowa buildings. This is work that university employees can perform. There is a roofing crew at the university. She asked that they delete the "middle man" that results from contracting out. Let the Physical Plant supervisors have direct control over the workers and the work. They lose this important monitoring when jobs are contracted out. She believes that stopping the contracting out for maintenance work and small remodeling jobs will bring an immediate solution to some of the problems being faced by the workers and by the university in these hard economic times. Money is being spent for jobs for which the university has the personnel, ability and equipment to perform.

Donna Harris, Iowa State University AFSCME Local 96, stated that one of the primary problems employees at Iowa State University have been facing is the lack of specific information about what is going to happen. Although from an administrative standpoint she said she understands that there are a lot of questions that have not been answered, there certainly are pieces of information that have not been related to employees accurately. One of her frustrations is that she continually hears that there have not been any official lay offs at Iowa State University; however, she held 25 lay off letters of individuals that, as of the end of this month or the end of July, are no longer going to be employed at Iowa State University. The budget cuts of the Iowa State Extension program are going to impact extension services in three-fourths of the state of Iowa. She said the information that has been relayed to employees is that there are significant areas in the university that are going to be faced with substantial cut backs in dollars. Every one

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of the departments is going to be faced with cutbacks in personnel. Employees are told the cuts are going to be programmatic cuts yet she sees people being laid off from the Controller's office, the College of Education, the Computation Center, etc.

Ms. Harris expressed serious concerns about how the budget problems are being translated to bargaining unit members and what is going to happen. Unfortunately, with the tremendous misinformation that she said has been passed around, they really do not know what is going on. She said it was her feeling that someone does know what is going on, and that information should be relayed.

Michael Messina, AFSCME International, provided statistics which he said do not support the proposed lay offs.

MOTION:

Regent Hatch moved that, consistent with the Governor's veto of major portions of salary and appropriations bills, the Board extend pay schedules for Merit System supervisory, blue collar, security, technical and clerical employees effective July 1, 1991, and suspend the provision of step increases. Regent Dorr seconded the motion, and it carried unanimously.

SALARY POLICIES FOR PROFESSIONAL AND SCIENTIFIC EMPLOYEES. The Board Office recommended that the Board (1) receive reports on the review of professional and scientific pay plans at University of Iowa, Iowa State University, University of Northern Iowa, Iowa School for the Deaf, Iowa Braille and Sight Saving School and the Board Office; (2) direct that the institutions report to the Board this fall regarding their plans for follow-up on recommendations; and (3) direct that, consistent with the Governor's veto of major portions of salary and appropriations bills, current professional and scientific pay plans be extended effective July 1, 1991, and that no across-the-board salary adjustments or regular merit increases be made until funding is provided.

A review of institutional and Board Office pay plans for professional and scientific staff was conducted to assess the effectiveness of the plans and their compliance with state and federal laws. Outside consultants were used to review the plans at the universities.

The reports on the review indicate that on average the pay plans for professional and scientific staff are competitive with survey data, but note that ranges for certain occupations in highly competitive markets lag behind five to ten percent.

Policies and procedures are found to be consistent with state and federal laws but the institutions should continue to monitor salaries paid to female staff members.

Recommendations were made to reduce the spread between salary range minimums and maximums. The development of uniform performance review and management systems was recommended. The recommendations noted in the reports need to be evaluated by the institutions and plans for implementation need to be developed in light of current budgetary restrictions.

Provisions passed by the General Assembly for increases in pay plans and salaries for all state employees were vetoed by the Governor. Provisions prohibiting merit increases were not vetoed.

The recommended extension of current pay plans and the prohibition of merit increases will not affect the continuation of other provisions for increases such as for reclassification and promotions.

Associate Vice President Small said she was pleased with the study although it was unfortunate that university officials would not be able to do much this year to address the salary situation. She noted that the University of Iowa Council on the Status of Women brought in a study about working conditions and other issues related to professional staff at the time university officials were planning to do this study. University officials were able to utilize the Council's study to focus on some issues and believe it will be helpful in resolving questions of salary disparities. She noted that university officials were pleased that the consultant's study demonstrated the university has adequate salary controls.

Susan Buckley, President of the University of Iowa Staff Council, said the University of Iowa Professional and Scientific staff consists of approximately 5,000 employees. The Council's reaction to the consultant's salary system study is positive. The Professional and Scientific salary system, in theory, is appropriately designed when compared to equivalent institutions. However, despite the positive findings about the structure of the system, the University of Iowa Staff Council is deeply concerned about the findings on actual salary practices. The consultant's report concludes that the salary compression is a strong component of the university's system. However, 65 percent of employees are being paid less than the market rate. The consultant's study's value is not because it is ground breaking in nature; rather, its value lies in its concise reaffirmation of what is already known. The report strengthens findings of previous studies such as the recent study conducted by the University of Iowa Council on the Status of Women which reported, among other issues, a consistent pattern of women receiving lower salaries than men. Differences in the average number of years in a position does not appear to be significant.

Ms. Buckley stated that the most flagrant example of a recurring finding is the salary-related issue of performance evaluation. Improvement in performance evaluations was one of the key Professional and Scientific recommendations by the Peat Marwick and Main audit. The lack of Professional and Scientific performance evaluations was also a significant finding in the Council on the Status of Women study. The Staff Council convened a special task force this past year to examine the status of performance evaluations which resulted in a series of recommendations for administrative action. The consultant's study itself listed formal performance evaluation process as one of its 9 main recommendations. In the course of 4 years, four independent bodies have arrived at the same conclusion. The performance evaluation system at the University of Iowa is strikingly inadequate and needs to be strengthened.

Ms. Buckley provided examples of steps the university can take with minimal new resources. She said implementation of the consultant's few straight forward recommendations could serve as a spring board to create a campus environment where the talents and skills of 5,000 Professional and Scientific staff are substantially better utilized through recognition, professional development, evaluation, and fair compensation.

Vice President Madden said Iowa State University officials are in general agreement with a number of the university's consultant's recommendations. University officials recommend receiving the report and implementing as many of the recommendations as possible.

Vice President Conner said the Board Office had adequately summarized the University of Northern Iowa's consultant's report in the memorandum concerning this docket item.

Susan Beckett, University of Iowa Council on the Status of Women, discussed the issues of professional development, policies and procedures, Professional and Scientific staff handbook, and supervisory and staffing issues. She urged the Regents to support the consultant's recommendations and to make some of the issues high priority.

MOTION:

Regent Berenstein moved to (1) receive reports on the review of professional and scientific pay plans at University of Iowa, Iowa State University, University of Northern Iowa, Iowa School for the Deaf, Iowa Braille and Sight Saving School and the Board Office; (2) direct that the institutions report to the Board this fall regarding their plans for follow-up on recommendations; and (3) direct that, consistent with the Governor's veto of major portions of salary and appropriations bills, current professional and scientific

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pay plans be extended effective July 1, 1991, and that no across-the-board salary adjustments or regular merit increases be made until funding is provided. Regent Fitzgibbon seconded the motion, and it carried unanimously.

Regent Williams stated that one of the recurring themes of the presentations was the need for greater resources devoted to performance evaluations of employees. She said this issue seems to come up every year. She said she did not understand why the institutions do not have adequate employee performance evaluation systems.

Associate Vice President Small said the danger is that a performance appraisal done badly is worse than none at all.

Regent Williams said the employee evaluation system is not sufficient. The issue comes up every year. Is it so costly to teach supervisors how to supervise that the institutions simply do not do it?

Associate Vice President Small said the University of Iowa has a decentralized performance evaluation system. There is no one person to make sure that is done. Peat Marwick indicated that the performance evaluation instrument was a good one.

Regent Furgerson asked if the institutions utilize job descriptions. Associate Vice President Small answered affirmatively. She added that University of Iowa Hospitals and Clinics has an elaborate performance review system.

President Pomerantz suggested the Board ask the universities to come back with their ideas around evaluations and the whole human resource area. He wants to be sure the systems are established although he cautioned that it is not a cure-all for all evils.

Regent Williams referred to poor performance evaluations and pay progression, and stated it is in a sense disrespectful. Many women are place bound.

President Pomerantz said the Regents would begin the review of Human Resources with a report on evaluation procedures at each of the institutions.

ADMINISTRATIVE RULE ON COLLEGE-BOUND PROGRAM. The Board Office recommended that the Board give its final approval to the administrative rule on College-Bound Programs.

The rules comply with the requirements of the 1989 Iowa Acts, House File 774, which directs the Board of Regents to establish college-bound programs to

provide Iowa minority students with information and experiences relating to opportunities offered at Regent universities.

The rules outline the general procedures which Regent universities will follow in developing college-bound voucher programs for minority students and their families.

The revised rule removes the ten (10) hour requirement for students to earn one (1) voucher. The revised rule would permit students to earn one voucher for participating in each college-bound program sponsored by a university.

The rules permit students holding vouchers and enrolling at Regent universities priority in award of funds under the "Iowa Minority Academic Grants for Economic Success (IMAGES) Program".

The revised rules have been reviewed by the Attorney General's office.

The Board gave initial approval of the rule revision at its April 1991 meeting. The proposed rule revision was published in the Iowa Administrative Bulletin on May 15, 1991. A public hearing was held on June 4, 1991. No one appeared to comment on the rules. The Legislative Rules Review Committee did not request the Board Office to appear before the committee for comment.

ACTION: This matter was approved by consent.

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

Note: The Board had before it a CONFIDENTIAL memorandum and supporting documents in this matter.

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

The faculty member was appealing the decision of the institution to deny tenure and promotion.

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

The Board Office recommended that the Board not review the final institutional decision. The Board's decision in this matter represents final agency action for which the faculty member may seek judicial review as permitted by law.

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

BOARD OFFICE PERSONNEL TRANSACTIONS. The Board Office stated there were no transactions to report on its Register of Personnel Changes for this month.

APPOINTMENTS TO COMMITTEES. The Board Office recommended the Board ratify appointments to committees by President Pomerantz, as follows:

TERM EXPIRES

MARVIN BERENSTEIN - TERM 1989-95

Banking Committee	April 30, 1993
Iowa Coordinating Council for Post-High School Education (Alternate for B.J. Furgerson)	July 31, 1992
Intercollegiate Athletics Priority Study Group	
Hospital Governance Priority Study Group	

THOMAS DORR - TERM 1991-97

Banking Committee	April 30, 1993
Iowa State University Foundation Board of Directors	June 30, 1992

JOHN FITZGIBBON - TERM 1987-93

Banking Committee, Chair	April 30, 1993
Iowa Coordinating Council for Post-High School Education (Alternate for John Tyrrell)	July 31, 1992
Iowa State University Research Foundation Board of Directors	June 30, 1992
Hospital Governance Priority Study Group	
Affirmative Action Priority Study Group	

TERM EXPIRES

BETTY JEAN FURGERSON - TERM 1989-95

Iowa Public Broadcasting Board	June 30, 1994
Iowa Coordinating Council for Post-High School Education	July 31, 1992
University of Northern Iowa Foundation Board of Trustees	June 30, 1994
Affirmative Action Priority Study Group (lead)	
Undergraduate Education/Teaching Assistants/ Academic Advising/Articulation Priority Study Group	

ELIZABETH HATCH - TERM 1989-95

Banking Committee	April 30, 1993
Intercollegiate Athletics Priority Study Group	

MELISSA JOHNSON - TERM 1991-97

Iowa Coordinating Council for Post-High School Education (Alternate for Mary Williams)	July 31, 1992
Iowa State University Memorial Union Board of Directors	July 31, 1992
Undergraduate Education/Teaching Assistants/ Academic Advising/Articulation Priority Study Group	

MARVIN POMERANTZ - TERM 1987-93

Banking Committee	April 30, 1993
Iowa Higher Education Strategic Planning Council	April 30, 1994

TERM EXPIRES

MARVIN POMERANTZ - (continued)

Iowa Centennial Memorial Foundation
(Secretary)

Continuous as President
of the Board of Regents

Intercollegiate Athletics Priority Study Group (lead)

Hospital Governance Priority Study Group (lead)

Affirmative Action Priority Study Group

JOHN TYRRELL - TERM 1991-97

Iowa Coordinating Council for Post-High School
Education

July 31, 1992

Undergraduate Education/Teaching Assistants/
Academic Advising/Articulation Priority
Study Group

Intercollegiate Athletics Priority Study Group

MARY WILLIAMS - TERM 1987-93

Iowa Higher Education Strategic Planning
Council

April 30, 1994

Iowa Coordinating Council for Post-High School
Education

July 31, 1992

University of Iowa Research Foundation

September 30, 1993

Hospital Governance Priority Study Group

Affirmative Action Priority Study Group

Undergraduate Education/Teaching Assistants/
Academic Advising/Articulation Priority
Study Group (lead)

President Pomerantz pointed out that any Regent who wishes to attend any meeting is certainly welcome to do so. Committee appointments are not intended to bar any Regent from attending any meeting.

MOTION: Regent Fitzgibbon moved to ratify appointments to committees by President Pomerantz, as presented. Regent Berenstein seconded the motion, and it carried unanimously.

REPORT ON THE IOWA COLLEGE STUDENT AID COMMISSION. The Board Office recommended the Board receive the report.

The Iowa College Student Aid Commission held its monthly meeting on June 11, 1991. The Commission authorized financial studies of a non-subsidized Stafford Student Loan Program for middle-income students. The program would be funded initially by a contribution from the reserve funds of the Student Aid Commission and the proceeds of bond issue by the Iowa Student Loan Liquidity Corporation.

The Commission administers many of the state's student aid programs including the Tuition Grant Program to students in independent colleges and the Stafford Guaranteed Student Loan Program. Cutbacks in these programs would be required if an across-the-board reduction is imposed by the Governor.

ACTION: This matter was received by consent.

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

July 17-18, 1991	University Park Holiday Inn	Des Moines
August 29	Telephonic	
September 25-26	University of Iowa	Iowa City
October 16-17	University of Northern Iowa	Cedar Falls
November 20-21	Iowa State University	Ames
December 18	Marriott	Des Moines
January 15-16, 1992	Telephonic	Des Moines
February 19-20	University of Iowa	Iowa City
March 18-19	Iowa School for the Deaf	Council Bluffs
April 15-16	Iowa State University	Ames
May 20-21	University of Northern Iowa	Cedar Falls
June 17-18	University of Iowa	Iowa City
July 15-16	University Park Holiday Inn	Des Moines

ACTION: This matter was approved by consent.

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

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EXECUTIVE SESSION. President Pomerantz requested the Board enter into closed session pursuant to the Code of Iowa Section 21.5(1)(c) to discuss matters with counsel which are either in litigation or where litigation is imminent.

MOTION: Regent Tyrrell moved to enter into closed session. Regent Hatch seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Dorr, Fitzgibbon, Furgerson, Hatch, Johnson, Pomerantz, Tyrrell, Williams.
NAY: None.
ABSENT: None.

The Board having voted by at least two-thirds majority resolved to meet in closed session beginning at 3:52 p.m. on Wednesday, June 19, 1991, and arose therefrom at 4:45 p.m. on that same date.

The following business was conducted beginning at 4:45 p.m. on Wednesday, June 19, 1991.

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, June 19, 1991.

RATIFICATION OF PERSONNEL TRANSACTIONS. The Board Office recommended the Board ratify personnel transactions, as follows:

Register of Personnel Changes for April 1991 including early retirements as follows;

JIMMY WHETSTINE, Custodian, Physical Plant, retiring March 29, 1991;

LEO F. WELSH, Bus Driver, Physical Plant, retiring March 31, 1991;

ROBERT URNESS, Electronics Technician II, Bio-Engineering, retiring March 14, 1991;

VINTON ROWLEY, Professor of Pediatrics, retiring April 1, 1991;

MARTHA VAN KIRK, Staff Nurse, Surgery, retiring March 31, 1991; and

GEORGE WAINWRIGHT, Field Manager, Continuing Education, retiring March 31, 1991;

Receive notification of the resignation of JAMES MORRISON, Vice President for Research, effective April 30, 1991; and

Approve the appointments of DOUGLAS TRUE as Treasurer and DOUGLAS YOUNG as Secretary in accordance with Code of Iowa, Chapter 262.9.

MOTION:

Regent Fitzgibbon moved to ratify personnel transactions, as presented. Regent Furgerson seconded the motion, and it carried unanimously.

AMENDMENTS TO GRIEVANCE PROCEDURE FOR PROFESSIONAL AND SCIENTIFIC STAFF. The Board Office recommended that the Board approve the proposed revisions in the University of Iowa Grievance Procedures for Professional and Scientific Staff, subject to legal review by the Attorney General's Office.

The current grievance procedure was approved by the Board in 1979. Proposed changes include:

- A. use of the American Arbitration Association as the source for hearing officers;
- B. designation of the Vice President for Finance and University Services as reviewing officer;
- C. extension of the period of time during which a grievance may be filed from 12 to 18 months; and
- D. various other revisions recommended to clarify existing language and facilitate use of the procedure to settle disputes at the earliest possible stage.

The revised procedure was developed in consultation with the university's professional and scientific staff council. Legal counsel has been asked to review the proposed amendments.

MOTION:

Regent Furgerson moved to approve the proposed revisions in the University of Iowa Grievance Procedures for Professional and Scientific Staff, subject to legal review by the Attorney General's Office. Regent Williams seconded the motion, and it carried unanimously.

President Pomerantz pointed out that if the Attorney General's Office has a problem with the revisions, it will be brought back before the Board. Associate Vice President Small stated she understood that requirement.

APPOINTMENT OF INTERIM VICE PRESIDENT FOR RESEARCH. The Board Office recommended that the Board approve the appointment of DEREK H. WILLARD as Interim Vice President for Research effective April 29, 1991, at a salary as budgeted through May 31 and at an annual salary of \$105,000 effective June 1, 1991.

University officials requested approval of the appointment of Dr. Derek H. Willard as Interim Vice President for Research to succeed Dr. James D. Morrison.

Dr. Willard received his bachelors degree from the University of Rhode Island in 1964, his masters degree from the University of Pennsylvania in mass communication in 1968 and a Ph.D. in mass communication from the University of Iowa in 1975. He was an Assistant Professor of English and the Humanities at the Air Force Academy from 1968 to 1972 and has been an Assistant Professor since 1975 and an Associate Professor of Preventive and Community Dentistry since 1981.

He has served as Associate Vice President for Research since 1984. He has worked with the Iowa Congressional delegation to enhance the university's research efforts.

MOTION: Regent Fitzgibbon moved to approve the appointment of Derek H. Willard as Interim Vice President for Research effective April 29, 1991, at a salary as budgeted through May 31 and at an annual salary of \$105,000 effective June 1, 1991. Regent Williams seconded the motion, and it carried unanimously.

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

PROJECT DESCRIPTIONS AND BUDGETS

University officials submitted seven new projects for approval by the Board. These projects were included in the university's quarterly report of anticipated capital projects.

University Hospitals and Clinics--Pneumatic Tube System \$662,175
Installation
Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 545,000
Contingency	54,500
Architectural/Engineering Support	35,425
Planning and Supervision	<u>27,250</u>
TOTAL	\$ 662,175

This project will install pneumatic tubes, tube stations, and mechanical and electronic control systems on the fifth level of the Carver, Colloton and Pappajohn Pavilions. These facilities will be linked to an existing system on the sixth level of the General Hospital. The system will provide pneumatic tube support for the transport of patient specimens and blood products between the new Operating Room Suite, Critical Care Laboratory, Transfusion Service, and Surgical, Pediatric and Medical Intensive Care Units. This system will be of sufficient capacity to permit the eventual tie-in to other critical care units at University Hospitals.

Additionally, university officials requested approval of the selection of university Architectural/Engineering Services as inspection supervisor.

University Hospitals and Clinics--Pediatric Faculty Office \$577,610
Development

Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 475,400
Contingency	47,540
Architectural/Engineering Support	30,900
Planning and Supervision	<u>23,770</u>
TOTAL	\$ 577,610

This project will finish approximately 6,700 gross square feet of space adjacent to the Department of Pediatrics Faculty Office Suite and Ambulatory Care Clinic located on the second floor of the Colloton Pavilion. Completion of these offices will permit the consolidation of the Division of Pediatric Cardiology with the Department of Pediatrics faculty offices while also providing additional faculty office space for this department.

University officials requested approval of the selection of university Architectural/Engineering Services as inspection supervisor.

University Hospitals and Clinics--Mechanical Energy \$419,000
Retrofit Project

Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 330,000
Contingency	33,000
Architectural/Engineering Support	39,500
Planning and Supervision	<u>16,500</u>
TOTAL	\$ 419,000

This project will provide for replacement of pipe insulation, installation of a condensate heat recovery system to pre-heat domestic water, air infiltration control, and special cooling systems for wintertime computer room cooling in the main University Hospitals facility. The energy savings includes conservation of steam, chilled water, and electricity. Work to be completed includes installation of heat exchangers, closed circuit cooler, system air balancing, and replacement of pipe insulation.

These projects were included in the 1989 energy audit of University Hospitals which was required by the legislature and the Board of Regents. These improvements have an average simple payback savings of two years.

University officials requested approval of the selection of university Architectural/Engineering Services as inspection supervisor.

University Hospitals and Clinics--Department of Psychiatry \$398,640
Faculty Offices

Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 328,100
Contingency	32,810
Architectural/Engineering Support	21,325
Planning and Supervision	<u>16,405</u>
TOTAL	\$ 398,640

This project will finish approximately 4,600 gross square feet of space on the second level of the Pappajohn Pavilion to provide faculty and staff offices for the Department of Psychiatry and staff offices for the Division of Psychiatric Social Services.

This project was identified within the 1989 Energy Audit required by the Iowa Legislature and the Board of Regents. The simple payback is estimated at 1.4 years from steam, electricity and chilled water savings.

University Hospitals and Clinics--Replace Building HVAC \$381,850
Controls

Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 305,000
Contingency	30,500
Architectural/Engineering Support	31,100
Planning and Supervision	<u>15,250</u>
TOTAL	\$ 381,850

This project will upgrade and modify existing energy management systems to provide night setback and discriminator control for heating, ventilation and air conditioning in the Boyd Tower and the General Hospital. The energy savings includes the conservation of steam, electricity and chilled water from reduced operation.

This project was identified within the 1989 Energy Audit required by the Iowa Legislature and the Board of Regents. The simple payback is estimated at 1.4 years from steam, electricity and chilled water savings.

University Hospitals and Clinics--Boyd Tower Water Pipe Replacement \$312,500

Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 250,000
Contingency	25,000
Architectural/Engineering Support	25,000
Planning and Supervision	<u>12,500</u>
 TOTAL	 \$ 312,500

This project will provide for the removal and replacement of all galvanized steel water piping in Boyd Tower which is two inches in diameter and larger. The pipes are extremely corroded and lined with deposits on the inner surfaces. This results in leaks and reduced flow in some areas of the building.

University officials requested approval of the selection of university Architectural/Engineering Services as inspection supervisor.

Art Building--Fire Safety Deficiencies Correction \$272,725

Source of Funds: 73rd General Assembly Academic Revenue Bonds

Preliminary Budget

Design, Inspection and Administration	\$ 35,025
Construction	216,100
Contingencies	<u>21,600</u>
 TOTAL	 \$ 272,725

This project will serve to correct fire safety deficiencies in the Art Building complex. A single fire alarm system will be installed to serve all the buildings in the complex. The system will include pull stations, smoke or heat detectors, warning devices (both audible and visual), a communication link to the Department of Public Safety, and a control board. The system will be programmable and will be connected to the air handling systems of each building to provide emergency shut-down capability.

* * * * *

University officials reported nine new projects with budgets of less than \$250,000 which were included in the university's quarterly report of anticipated capital projects. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university.

* * * * *

ARCHITECT/ENGINEER AGREEMENTS

Daum Residence Hall--Feasibility Study \$102,500
Deloitte & Touche, Minneapolis, MN

The agreement provides for Deloitte & Touche to conduct a two-phased study culminating in reports to the Board in July and November. The first phase consists of three work elements: a background analysis, competitive assessment, and the determination of "product alternatives." The background analysis consists principally of identifying the residential housing goals, objectives, and programs of the university and analyzing student residential patterns. The competitive assessment will analyze local markets and product information. Also included in this stage is the identification of characteristics of students living on campus versus off campus, along with locations of where off-campus students are living, and a study of cost, quality, and amenities of off-campus competitors.

Once the key competitive features of off-campus facilities have been identified, Deloitte & Touche will work with Herbert Lewis Kruse Blunck to determine the renovation options available to the university as "product alternatives." This preliminary analysis will identify the estimated cost of facility improvements and will identify the non-facility changes which may also be required to improve competitiveness.

The overall Phase II will be presented to the Board of Regents at the November meeting. The final report will include the results of the market research, assessment of alternative strategies, rationale for the selected strategy, and a financial analysis of the selected strategy.

A consulting fee for the project is to be billed at standard hourly billing rates. The fee for the project will not exceed \$87,500 for professional fees. Expenses, which will be billed as incurred, are estimated to cost an additional \$15,000.

Amendments:

West Campus Chilled Water Plant Distribution System--South Loop \$17,048.70
Expansion
Shive-Hattery Engineers and Architects, Iowa City, Iowa

University officials requested approval of Amendment #2 to the agreement with Shive-Hattery in the amount of \$17,048.70. This amendment will provide for additional work which includes cost estimates and preliminary design concepts, design addition, plan revisions, and assistance in connection with university furnished pipe materials.

Amendment No. 2 will not result in an increase in the total project budget.

Laser Laboratory Building--Site Utility Package \$5,000
Kimmel-Jensen-Wegerer-Wray, Rock Island, IL

CONSTRUCTION CONTRACTS

Academic Building to House the College of Business \$22,880,000

Bids for the construction of the Academic Building to House the College of Business were received on June 6, 1991. Seven bids were received and there were no irregularities associated with the bid opening or with the bids that would interfere with the award decision. All seven base bids were within the architect's estimate for the project.

Bids were received for nine alternates. Eight of these alternates were developed for inclusion in the bid package to ensure that it would be possible to award a contract within funds available for the project. The intention concerning these alternates was that if the bids were under the estimated cost then the "add" alternates would all be selected as these "add" alternates are necessary to provide a complete project. On the other hand, if the project bids came in higher than estimated, the "deduct" alternates could be selected to reduce the overall contract price to within the project budget. The quality and scope of the project was not to be compromised by the selection of alternates unless absolutely necessary. The ninth alternate was added during the bidding process to accommodate a proposed alternative system for the construction of the curtain wall.

The alternates were couched in both "add" and "deduct" terms in the bid documents. University officials recommended the selection of the following alternates (i.e., all add alternates and no deduct alternates except Alternate 7 which effects a cost savings with no quality change):

Alternate 1 (fence and pavilions)	Add	\$287,000
Alternate 2 (interior trim)	Add	\$ 45,000
Alternate 3 (veneer plaster)	Add	\$418,000
Alternate 7 (curtain wall system)	Deduct	\$ 86,000
Alternate E-1 (lightning protection)	Add	<u>\$ 16,000</u>
TOTAL	Add	\$680,000 *****

With the exception of Alternate 1, which was estimated at \$220,000, all recommended alternates are under estimated cost. The estimate for Alternate #3, veneer plaster, was \$450,000 to \$500,000. With the exception of

two bids for \$160,040 and \$165,000, all other bids are in a range of \$418,000 to \$600,000, with the lowest that recommended above. An investigation into the two low bids for this alternate revealed that they were both from the same source and that an error was made in their preparation which resulted in their being understated by a significant amount.

The two low base bids and their respective alternate bids are such that the determination of the overall low bid is affected by the selection of alternates. With the selection of the alternates recommended above, and with a base bid of \$22,200,000, the low overall bid was submitted by Mid-America Construction Company of Iowa.

University officials recommended that a contract in the amount of \$22,880,000 be awarded to Mid-America Construction Company of Iowa. This amount compares with a construction budget line allowance of \$23,825,000. Award of the contract will allow the project to proceed within the approved budget of \$33,123,000.

Vice President Phillips stated that private fund raising for this project is going quite well.

University Hospitals and Clinics--CSS and Processed Stores \$3,006,300
Relocation

Award to: M. A. Mortenson Company, Minneapolis, MN
(3 bids received)

West Campus Chilled Water Plant Distribution System--South \$718,415
Loop Expansion

Award to: Hurst and Sons Contractors, Inc., Waterloo, Iowa
(5 bids received)

Library--Replace Roof \$317,387

Award to: Rafoth Furnace and Sheet Metal Works, Inc., Cedar Rapids, Iowa
(4 bids received)

Quadrangle--Replace Roof--Southeast and Southwest Wings \$62,934

Award to: Veterans Roofing Company, Inc., Coralville, Iowa
(7 bids received)

Quadrangle--Replace Roof--Southeast and Southwest Wings-- \$14,028
Asbestos Abatement

Award to: Advanced Technologies Corporation, Cedar Falls, Iowa
(7 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

University Hospitals and Clinics--Bone Marrow Transplant Laminar Flow
McComas-Lacina Construction Company, Inc., Iowa City, Iowa

Engineering Research Facility--Simulator Addition
McComas-Lacina Construction Company, Inc., Iowa City, Iowa

Van Allen Hall--Remodel Room 426
McComas-Lacina Construction Company, Inc., Iowa City, Iowa

University Hospitals and Clinics--Emergency Generator Sets Interconnection System
Meisner Electric, Inc., Newton, Iowa

Hancher Auditorium/Music Building--Heating Pipes Replacement
AAA Mechanical Contractors, Inc., Iowa City, Iowa

FINAL REPORTS

15 KV Electrical Loop I Extension--Phase II \$1,432,533.96

Grand Avenue Utility Tunnel Restoration \$1,361,536.83

MOTION: Regent Hatch moved to approve the university's capital register, as presented. Regent Furgerson seconded the motion, and it carried unanimously.

LEASE OF PROPERTIES. The Board Office recommended the Board approve leases, as follows:

With HAZCON, INC., for its use of approximately 264 square feet of space in the Technology Innovation Center at the Oakdale Campus for a one-year period beginning July 1, 1991, through June 30, 1992, at a monthly rate of \$176.

MOTION: Regent Hatch moved to approve leases, as presented. Regent Williams seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Dorr, Fitzgibbon, Furgerson, Hatch, Johnson, Pomerantz, Tyrrell, Williams.
NAY: None.
ABSENT: None.

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, June 19, 1991.

RATIFICATION OF PERSONNEL TRANSACTIONS. The Board Office recommended that the Board ratify personnel transactions, as follows:

Register of Personnel Changes for May 1991 including the phased retirement plans for the following:

KALJU EIK, Assistant Professor of Agronomy, effective July 1, 1991, at 75 percent time with full retirement on June 30, 1992; and

JOHN N. RILEY, Professor of Industrial Education and Technology, effective August 21, 1991, at 75 percent time with full retirement on May 20, 1995;

Approve the appointments of JOAN K. THOMPSON as Treasurer and DAVID K. CREAMER as Secretary in accordance with Code of Iowa Chapter 262.9;

Approve waiver of the mandatory retirement age for FREDERICK M. GRAHAM, Professor of Aerospace Engineering and Engineering Mechanics through June 30, 1992; and

Ratify acceptance of the resignation of MICHAEL M. CROW as Director of the Institute for Physical Research and Technology and Director of Science Policy and Research effective by the end of summer 1991.

MOTION: Regent Fitzgibbon moved to ratify personnel transactions, as presented. Regent Furgerson seconded the motion, and it carried unanimously.

ACCEPTANCE OF IOWA STATE UNIVERSITY CALENDAR. The Board Office recommended that the Board approve the academic calendars for the 1993-94, 1994-95, 1995-96 and 1996-97 academic years and the 1994, 1995, 1996 and 1997 summer sessions as submitted by Iowa State University.

The academic calendars proposed are similar to previous Iowa State University calendars. University officials proposed to observe Martin Luther King's birthday as a university holiday beginning with the 1994 spring semester.

Each of the fall semesters will have 74 days of instruction plus a five-day final examination period. Due to the observance of Martin Luther King's

birthday, the spring semesters will have 73 instructional days with a five-day final examination period. In the past the spring semester has had 75 instructional days. Fall semesters have had either 73 or 74 days.

Holidays scheduled are consistent with collective bargaining agreements and represent no increase from previous years.

VEISHEA will be held the last weekend in April in each of the years rather than the first weekend in May.

ACTION: This matter was approved by consent.

APPROVAL OF GRADUATE MAJOR NAME CHANGE. The Board Office recommended the Board (1) refer the change in the name of the graduate major from Food Science to Food Science and Technology at Iowa State University to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation and (2) approve the change in procedures for handling name changes as recommended below.

Iowa State University officials requested a change in the name of the graduate major in Food Science to Food Science and Technology. The change is related to a departmental change that was approved by the Board last year. There are no programmatic or budgetary implications to this change.

The Board Office and the Interinstitutional Committee have agreed to a procedure on name changes that would result in this item being placed on the consent docket for final approval in July if no problems are identified with respect to the proposed name change.

ACTION: President Pomerantz stated the Board, by general consent, (1) referred the change in the name of the graduate major from Food Science to Food Science and Technology at Iowa State University to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation and (2) approved the change in procedures for handling name changes as presented.

APPROVAL OF CENTER. The Board Office recommended the Board refer this proposal to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials proposed an Iowa Transportation Center that provides continuing education and information to local, regional, and state governmental transportation workers. Services will include training programs,

lending library, referral services, a newsletter, and specialized technical assistance.

Estimates indicate that current contracts with governmental agencies provide about \$368,024 annually and that Iowa State University extension provides approximately \$26,500 for a portion of the administrative salary.

It was recommended that the Iowa Transportation Center proposal be referred to the Interinstitutional Committee on Educational Coordination.

ACTION: This matter was referred by consent.

ACCEPTANCE OF CENTER. The Board Office recommended the Board receive the report on the Center for Building Energy Research.

Iowa State University officials proposed that a Center for Building Energy Research be established and administered by the Department of Mechanical Engineering and the College of Engineering. The purpose of the Center is to develop and improve technologies to help reduce energy consumption while maintaining performance and productivity.

Graduate and undergraduate student involvement in the Center projects will stimulate interest in energy, provide real-life engineering problems, and the latest energy technologies. Activities will include industrial collaboration, continuing education, and involvement with the Energy Bureau of the Iowa Department of Natural Resources.

Industrial sponsors will provide 75 percent of the budget, Iowa Department of Natural Resources will support 21 percent, and the U.S. Department of Energy will fund the remaining 4 percent.

This report was presented only for the information of the Board of Regents because the proposed Center will not require more than \$25,000 in annual state appropriations.

ACTION: President Pomerantz stated the Board received the report on the Center for Building Energy Research by general consent.

ORGANIZATIONAL CHANGE AND APPOINTMENT. The Board Office recommended the Board (1) approve the reassignment of Jean W. Adams from Associate Provost to Associate to the President for Budget Planning and Analysis at current salary (\$97,150), effective July 1, 1991, (2) approve change of title of Executive Vice President to Vice President for External Affairs, effective July 1, 1991, and (3) approve appointment of Reid W. Crawford as Interim Vice President for External Affairs at annual salary of \$90,000, effective July 1, 1991.

As a part of President Jischke's realignment of the administration, the position of Executive Vice President was proposed to be the Vice President for External Affairs. Reid Crawford, currently Executive Assistant to the President, will serve as Interim Vice President for External Affairs with his salary augmented during the interim.

Jean W. Adams, currently Associate Provost, was proposed for reassignment to Associate to the President for Budget Planning and Analysis.

The Board has indicated its desire that the university emphasize its external relations and promote fund raising. The new position of Vice President for External Affairs will emphasize this area.

With respect to the budget function, President Jischke recognizes the vital impact that budget decisions have on the programs of the university and wishes to have that function report directly to him.

He will have the opportunity to reorganize the staffing for the Office of the President as a result of these proposed changes. President Jischke provided oral comments on this proposal at the Board meeting.

Regent Hatch asked if President Jischke has been able to establish an organizational chart which reflects his internal reorganization. President Jischke stated that yesterday during the new Regent orientation he provided the new Regents with a copy of an organizational chart reflecting the changes being proposed with this docket item. He said his one reservation with the revised organizational chart was a desire to review the responsibilities of the external affairs vice president.

President Pomerantz stated the institutions should be fluid.

MOTION:

Regent Berenstein moved to (1) approve the reassignment of Jean W. Adams from Associate Provost to Associate to the President for Budget Planning and Analysis at current salary (\$97,150), effective July 1, 1991, (2) approve change of title of Executive Vice President to Vice President for External Affairs, effective July 1, 1991, and (3) approve appointment of Reid W. Crawford as Interim Vice President for External Affairs at annual salary of \$90,000, effective July 1, 1991. Regent Furgerson seconded the motion, and it carried unanimously.

APPROVAL OF THE IOWA SPACE GRANT COLLEGE CONSORTIUM. The Board Office recommended the Board refer this proposal to the Interinstitutional Committee

on Educational Coordination and the Board Office for review and recommendation.

The three Regent universities proposed an Iowa Space Grant College Consortium that is funded primarily by the National Aeronautics and Space Administration. The Consortium will (1) improve cooperation among universities, government and industry in space related fields, (2) increase awareness and interest in science, technology, and engineering in the universities, school systems, and the public, and (3) support the development of a strong science and mathematics base in the K-12 program.

The \$425,000 budget will include \$300,000 from the National Aeronautics and Space Administration, \$50,000 from the University of Iowa, \$50,000 from Iowa State University, and \$25,000 from the University of Northern Iowa.

It was recommended that this proposal be referred to the Interinstitutional Committee on Educational Coordination.

The universities were congratulated for this interinstitutional cooperative effort.

ACTION: This matter was referred by consent.

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

PROJECT DESCRIPTIONS AND BUDGETS

University officials submitted one new Institutional Roads project for approval by the Board. This project was included in the university's quarterly report of anticipated capital projects.

1991 Institutional Roads Projects--Northeast Campus Area-- \$15,500
Traffic Signal Study

Source of Funds: 1991 Institutional Roads Funds

University officials proposed to study existing traffic signalization and road alignment in the northeastern area of campus. The area of the study includes Elwood Drive, Wallace Road, Sixth Street, Haber Road and Union Drive. The purpose of the study is as follows: evaluation of existing traffic control in the study area; assessment of the impact of the closure of Sixth Street between Haber Road and the Physical Plant entrance drive; review of signalization phasing requirements at Elwood Drive and Haber Road; evaluation of the realignment of the east drive to the Power Plant to provide better access to Haber Road at Sixth Street; completion of a signal warrant analysis for the intersection of Wallace Road and Union Drive; and the evaluation of the need and equipment requirements for signal coordination.

* * * * *

University officials reported three new projects with budgets of less than \$250,000 which were included in the university's quarterly report of anticipated capital projects. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university.

* * * * *

ARCHITECT/ENGINEER AGREEMENTS

1991 Institutional Roads Projects--Northeast Campus Area-- \$15,500
Traffic Signal Study
Johnson, Brickell, Mulcahy and Associates, Inc., Des Moines, Iowa
(Engineering Services)

University officials requested approval of an agreement with Johnson, Brickell, Mulcahy and Associates, Inc., to provide an engineering analysis for this traffic signal study.

Amendments

Dairy Industry--Addition and Renovation--Phase II \$500
RDG Bussard/Dikis, Inc., Des Moines, Iowa

Sweeney Hall Addition and Renovation \$5,650
Brown Healey Stone and Sauer, Cedar Rapids, Iowa

CONSTRUCTION CONTRACTS

Marston Hall--Remodel Classrooms 204 and 205--Phase II \$295,774
Award to: Kaare Mehl Construction Company, Story City, Iowa
(5 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

Agronomy Addition and Remodeling--Constant Temperature Laboratory
Proctor Mechanical Corporation, Des Moines, Iowa

FINAL REPORTS

Residence Halls--Fire Safety Improvements \$1,011,690.67
Dormitory System Surplus Funds

MOTION: Regent Berenstein moved to approve the university's capital register, as presented.

Regent Furgerson seconded the motion, and it carried unanimously.

APPROVAL OF LEASES. The Board Office recommended the Board approve leases and easements, as follows:

With AMES IDEA EXCHANGE/ELT CORPORATION for its use of approximately 514 square feet of office space for a four-month period beginning May 1, 1991, through May 31, 1991, at a rate of \$350 per month, and from June 1, 1991, through August 31, 1991, at a rate of \$450 per month;

With the ISU GOVERNMENT OF THE STUDENT BODY AND THE CITY OF AMES for a five-year period commencing July 1, 1991, for the purpose of providing a transit service in the City of Ames with the first year cost to the university of approximately \$145,316 and subsequent years' cost anticipated to be approximately equal to the first year's cost with normal annual adjustments in the cost of operation prorated among the parties;

With the MARSHALL COUNTY CONSERVATION BOARD for the Conservation Board's permanent use of a 40 acre strip of land formerly a Chicago, Milwaukee, St. Paul and Pacific Railroad right-of-way which bisects the university's Rhodes Research Farm in Marshall County, at a one-time payment of \$21,500 with other consideration being the construction by the Conservation Board of two new farm crossings and a fence as described in the easement document, subject to Executive Council approval.

MOTION:

Regent Hatch moved to approve leases and easements, as presented. Regent Williams seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Dorr, Fitzgibbon, Furgerson, Hatch, Johnson, Pomerantz, Tyrrell, Williams.
NAY: None.
ABSENT: None.

IOWA STATE UNIVERSITY EQUITIES CORPORATION. The Board Office recommended that the Board approve the appointment of two new Iowa State University officials to complete the Board of Directors of the Iowa State University Equities Corporation:

Martin C. Jischke
Patricia B. Swan

Appointment
Appointment

Milton D. Glick
Warren R. Madden

Continuing Appointment
Continuing Appointment

The Board of Regents created the Iowa State University Equities Corporation for WOI-TV in 1987. At the present time it is the holding company for two university-related activities, the Iowa State University Broadcasting, Inc., which currently operates WOI-TV, and University Systems Technology, in which the university has a 50 percent ownership and is involved in the development and marketing of alumni record-keeping software.

The directors of the Equities Corporation are senior university officials. With the resignation of President Eaton and the retirement of Dr. McCandless, the officers and officials were changed to reflect current university administrators.

MOTION: Regent Berenstein moved to approve the appointment of two new Iowa State University officials to complete the Board of Directors of the Iowa State University Equities Corporation: Martin C. Jischke and Patricia B. Swan. Regent Johnson seconded the motion, and it carried unanimously.

TRAFFIC AND PARKING REGULATIONS FOR 1991-92. The Board Office recommended the Board (1) approve traffic and parking rules and regulations for 1991-92 at Iowa State University and (2) receive proposed revisions to the parking rates and fees for violations for faculty, students and staff and schedule for final action at the Board meeting in July.

Iowa State University officials requested Board approval of revisions to the traffic and parking regulations for implementation during the 1991-1992 school year. These changes were recommended by the University Transportation Advisory Council and Administrative Board.

The proposed revisions have been separated into two categories, one group which is not fee-related and another group which relates to fees. The revisions relating to fees should be received by the Board for consideration and acted upon at the July 1991 meeting.

Section 262.9(18) of the Code of Iowa provides for notification to students thirty (30) days prior to action by the Board when tuition, fees or charges are to be increased. Presenting this item on the June docket ensures compliance with the above-referenced notice requirement.

ACTION: This matter was approved by consent.

PRESENTATION OF LONG-RANGE CAMPUS PLAN FOR PHYSICAL DEVELOPMENT. The Board Office recommended the Board receive the report on the long-range master plan for physical development at Iowa State University.

The master plan for Iowa State University will guide the physical growth of the campus for the next 25 to 30 years. It is the first comprehensive plan to be undertaken since 1968.

For approximately nine months university officials have been working with Sasaki Associates in developing a long-range campus master plan addressing physical development. The development has been based upon broad participation with work reviews by the Master Plan Advisory Committee and periodic reviews by select committees, administrators, and the university community at large.

Representatives from Sasaki Associates made a presentation to the Board on the master plan for Board review and comments. The Board's comments will then be incorporated into the study. The completion of the master plan is anticipated for fall 1991.

The master plan projects the addition of approximately 2.9 million gross square feet of new building space over the next two to three decades. University officials report that this future growth is driven by the need to modernize and improve the quality of classrooms and laboratories for teaching and research. The projected growth represents an increase of approximately 40 percent over existing non-residential building space.

The goal of the master plan is to accommodate the projected growth within the established physical fabric of the campus in a way which reinforces and improves existing land use patterns, circulation, parking and open space while making wise use of limited land resources.

Approximately 60 percent of the 2.9 million gross square feet of planned space will occur in the 490 acre core campus area defined by Lincoln Way, Highland Avenue, the Chicago and Northwestern Railroad, and Elwood Drive.

The plan recommends that the historic pattern of land use which located the College of Liberal Arts and Sciences in the center of the campus, the College of Agriculture to the east and northeast, and the College of Engineering to the west be retained and built upon. Nearly 90 percent of the proposed expansion in the core area is assigned to these three colleges.

The plan recommends that new research facilities be located at the perimeter of the core area. The majority of the growth will take place north of Pammel Drive and in the long-range future north of the railroad tracks.

The plan does not address the future of the land at the northeast quadrant of the intersection of Stange Road and Pammel Drive which currently serves as the site for horse barns. A specific building or future use for this site has not been proposed.

Long-range projects including student apartments, new administration facilities, and storage facilities will also be located north of the railroad.

The plan recommends that the existing pattern of streets and pedestrian paths be maintained with several modifications to enhance pedestrian movement and safety. The proposed traffic circulation modifications include the following:

- * The closing of Osborn Drive and Bissell Road to daytime vehicular traffic;
- * The closing of Union Drive between Bissell Road and Welsh Road;
- * The closing of Union Drive between Knoll Road and Wallace Road;
- * The clarification of Welsh Road and Knoll Road as the primary paths for arrivals for visitors to the university;

Three new parking garages are recommended with an alternative being the enhancement of the Cy-Ride bus service making it time-competitive with commuting by car.

The plan recommends that the Central Lawn area generally bounded by Beardshear Hall, MacKay Hall, Curtiss Hall, and the Memorial Union be maintained as a park-like open space linked to surrounding campus areas by a series of pedestrian corridors.

A new pedestrian corridor is proposed to extend north from Morrill Road to serve as the dominant north-south link between campus expansion north of Osborn Drive and the Central Lawn area.

Representatives of Sasaki Associates reviewed with the Regents the long-range campus master plan for physical development. The master plan is a guide for development of the campus over the next 25 years and will serve as a framework for future decisions. Growth is likely to occur in research in science and technology fields and will not be based on increased enrollments.

ACTION:

President Pomerantz stated the Board received the report on the long-range master plan for physical development at Iowa State University by general consent.

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

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday, June 19, 1991.

RATIFICATION OF PERSONNEL TRANSACTIONS. The Board Office recommended the Board ratify personnel transactions, as follows:

Register of Personnel Changes for April and May, 1991 including early retirements as follows:

JIM ALBRECHT, Professor, Educational Administration and Counseling;

EVELYN BARRON, Coordinator IV, Placement and Career Services;

GLENN HOLMES, Manager, Power Plant;

DOROTHEA KRUGER, Custodian I;

DON PEARCE, Assistant Manager, Plant Services;

BEVERLY POTHAST, Secretary II;

NONA SKYLES, Clerk III;

GODFREY STYCH, Assistant Professor, Health, Physical Education and Leisure Services; and

JEAN TROUT, Associate Professor, Educational Psychology; and

Approve the appointments of JOHN CONNER as Treasurer and GARY SHONTZ as Secretary in accordance with Code of Iowa Chapter 262.9.

MOTION:

Regent Fitzgibbon moved to approve personnel transactions, as presented. Regent Furgerson seconded the motion, and it carried unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended the Board approve the Register of Capital Improvement Business Transactions as submitted by the University of Northern Iowa.

APPROVAL OF PROGRAM STATEMENTS AND DESIGN DOCUMENTS

Seerley Hall Renovation

The schematic design was presented to the Board for approval at this meeting. The project architects reviewed the design with Board members.

In 1990 the School of Business relocated from Seerley Hall into the new Classroom/Office Building allowing for the renovation of Seerley Hall. Housed in Seerley Hall will be the History Department, the Graduate College, the interdisciplinary Public Policy Program and related classroom and seminar rooms. Renovation plans include preservation of the building exterior, addition of a required stair tower, and renovation of an earlier added stair tower to provide a consistent contextual composition.

The total building area is 51,564 gross square feet with an assignable area of 27,673 square feet, for a net-to-gross ratio of 53.9 percent. The 24 inch thick bearing walls and circulation patterns which include wide corridors make a higher ratio difficult to achieve. The construction budget based on the schematic design is \$3,122,750, which is \$52.93 per square foot. This figure is considered excellent in that it includes extensive mechanical and electrical modifications to the building.

Schematic Design Highlights

The site development follows concepts developed by the university's campus planning staff as part of the university's Campus Master Plan. Included are separation of vehicular and pedestrian traffic and the enhancement of pedestrian access within the campus. New sidewalks and landscaping at the west of the building will assist in the transformation of the former back side to a high traffic building front. The original south entrance and new southwest entrance will provide handicapped accessibility to the building.

Energy conservation measures incorporated into the schematic design will meet or exceed current state and federal standards. Insulation now absent in the building is to be provided in the attic and furred exterior walls. Single glazed windows are to be replaced with new aluminum clad wood windows. Entrances will incorporate weather barrier vestibules and new entrance doors, hardware, and weatherstripping.

The existing terminal reheat air-handling system will be modified to provide an energy efficient variable air volume system. Present steam perimeter heating will be replaced with new hot water perimeter radiation allowing better modulation. The temperature control system will be updated to allow building zones to be remotely controlled.

High efficiency fluorescent or HID lighting fixtures with energy saving electronic ballasts will be used wherever possible. Dual-level switching and occupancy sensors for lighting control are also planned.

It is not expected that the building design will change to any significant degree from that being presented. University officials requested the Board also waive further design reviews unless significant design changes become necessary, in which case the design would again be presented to the Board.

Lee Thomson introduced Bob and Mike Broshar, project architects on the Seerley Hall remodeling projects.

Mr. Bob Broshar reviewed the schematic design booklet with the Regents. He stated that this project was one of the more exciting projects he has been involved in on the University of Northern Iowa campus. It is an excellent project for the university and a good investment because it ties together the historical past with the future. He said Seerley Hall was completed in 1908 and was the cornerstone of original University of Northern Iowa campus. The building remained basically unchanged in its first 50 years. During the 1960s with the completion of the new Library Building, Seerley Hall became available for development. He said his firm was fortunate to be involved in the renovation and upgrading of Seerley Hall to house the Business Education Department. Last year with the completion of the new Classroom and Office Building for the College of Business, Seerley Hall then became available for new uses. He said the interior development of the building will have a blend of historic preservation as well as modernization to update the facility.

Mr. Mike Broshar reviewed the floor plans of the building and the exterior elevations. He said the first floor will house classrooms and seminar rooms as well as the Graduate College and Public Policy Program. The two-story high reading room of the library is being used as a lecture hall. The balance of the second floor will be used generally for classroom space.

President Pomerantz asked for the size of the auditorium. Mr. Broshar responded that it seats 125 people and encompasses 1,900 square feet.

Mr. Broshar stated that on the third level a good portion of the space is taken up by the upper level of the reading room. The floor is basically classroom space with some faculty offices. The fourth floor will create a significant change in the circulation. The fourth floor will house the History Department, faculty offices, as well as administrative offices. He said the east elevation of the building remains virtually unchanged with the exception of replacing inefficient wood windows with new aluminum-clad windows and correcting some maintenance problems. The south elevation and north elevation will be similar.

President Pomerantz said the renovation cost estimate is roughly \$57/square foot. The building net to gross is roughly 50 percent. He asked the architects for their opinion of the value versus the expense.

Mr. Broshar said that in their judgment this is a good investment of the taxpayers' money. Utilization is around 53 percent. There are some generous spaces within the building that would probably not be programmed were they starting from scratch. He said the unit cost for new construction would be somewhere in the range of \$75/square foot to \$80/square foot.

President Pomerantz asked what the utilization rate would be on new construction. Mr. Broshar responded that the utilization rate would probably be in the range of 65 percent to 70 percent.

President Pomerantz said that was the point he was trying to get to. There is an estimated new construction utilization of 65 percent to 70 percent; this renovation project's utilization is 53 percent. Estimated new construction costs \$75/square foot to \$80/square foot; the renovation project costs \$57/square foot. What are the relative economics?

Mr. Broshar said the architects had not performed an analysis specifically comparing renovation costs and efficiencies versus new construction costs and efficiencies. President Pomerantz said that was what he was getting at.

Mr. Broshar said he believes the building will stand through that evaluation. There are no compromises in terms of utilization of an older building. The elements of life in the building will be brought up to date. It is a good building. The balance of the building would have the same life as a new building built at the same time.

President Pomerantz said he is friendly to the renovation project but did not feel they could go forward without having the analysis just referenced. The Regents need to know they are spending the taxpayers' money in an appropriate way. He wants to feel some comfort that it is wiser to invest in this building in terms of the next 100 years than it is to tear it down and build a new one.

Regent Berenstein asked if this project was going to cost \$3,122,00.
Mr. Broshar said that was the construction estimate.

Regent Berenstein said that morning the Regents sold bonds for the Seerley Hall remodeling project budget of \$4.7 million. What is the difference?

President Pomerantz responded that the difference was between the construction cost and the total project cost.

President Pomerantz referred to the interior wall treatment and asked if it will be sheet rock or plaster. Mr. Broshar responded that the renovated space will be restored in plaster and in newer areas it will be dry wall.

President Pomerantz asked why they would not go with all dry wall. Mr. Broshar responded that they are restoring some of the existing plaster rather than doing a lot of new plastering work. He said the general reason for dry walling is that they are adding insulation. The building has never been adequately insulated so they are insulating the exterior walls.

President Pomerantz asked if there is any asbestos in the building. Mr. Thomson responded that there is asbestos. Its removal is currently under contract.

Regent Hatch asked if the reading room is 2 floors high. Mr. Broshar responded that it is two floors high. It is an existing space. In changing the use of that space over the years it has been subdivided. There are two lecture halls in front of it. He said it is intended in this project that the partition would be removed leaving one large space which would serve certain functions for the university.

Regent Hatch said it seemed that when buildings are built or remodeled university officials come back and say they now need opening new building costs. She asked if the "furnishings and equipment" line item on the project budget is "opening new building" costs or will there be opening new building costs in addition to this?

President Curris responded that opening new building costs are included in the project budget which is included in the bonding. The project budget is the total cost of the project including all the costs of equipment. Since it is an existing building university officials do not anticipate any additional operating costs except that utilities will be impacted by virtue of providing air conditioning into much of that building. He said they do the best they can in cost projections. Many of the energy efficiency improvements that are incorporated into the building will cut down on utility costs. It was his belief that when the renovated building is opened there will be some increased costs associated with it somewhere in the vicinity of \$30,000.

Regent Hatch asked if President Curris was saying that university officials are not anticipating coming back and asking for another several hundred thousand dollars. President Curris responded that was correct.

Regent Berenstein asked if \$30,000 was a fair estimate. President Curris responded that it was their best guess.

Regent Berenstein referred to the "contingencies" line item of \$250,000 contained in the project budget and the "estimating contingency" line item of \$193,082 contained in the building construction cost estimate. He asked if

the \$193,082 figure is contained in the \$250,000 figure, or were they two separate contingency amounts?

Mr. Broshar said contingencies are listed twice. At this point in the project the cost consultants have used the first contingency figure based on what they do not know. The architects feel they have given the cost consultants quite complete information for the schematic design. The \$250,000 is an estimating contingency on the part of the cost consultant. At the completion of design development the cost consultant will have all the information they need to refine the cost. The total cost will not change; they will be working within the project budget. The first contingency figure will disappear. At this point there are two separate contingency funds. They are for different purposes. During the next stage in the design process, the second contingency figure will be there through the construction process to cover contingent items that are discovered in the construction process. That is the \$250,000 figure.

President Pomerantz asked what action was required today. President Curris said approval of the schematic design was necessary so the architects can proceed with the next phase.

Regent Hatch asked if university officials were also asking that the Board waive further design reviews. President Curris responded that there was a request that unless there is substantial change in what has been proposed the Board would waive further design review. Since it is an established building, university officials do not anticipate any change in the next phase drawing. If there are any changes they will come back to the Board.

Regent Berenstein asked if the Regents should act before receiving the comparison requested by President Pomerantz of new construction versus renovation costs.

President Pomerantz asked to deal with Seerley Hall and then the rest of the Capital Register items in two separate motions. On Seerley Hall, the Board would like to see the cost comparisons with new construction because while there is a higher new construction cost per square foot there is also a potential for greater utilization. As they build a Regent building they ought to have something in the order of a 60- to 100-year perspective. They need to ask if this is the wisest use of this money or is there an alternative that should be considered. He would like to get that clear before proceeding too far and without much more investment in the design phase.

Regent Williams said she agreed with President Pomerantz; however, wasn't the bonding granted for the "renovation" of this building?

President Pomerantz said he still wants the evaluation because it is never too late. They have not spent the money yet.

MOTION:

Regent Berenstein moved to proceed with the design development phase of the Seerley Hall Renovation Project subject to an appropriate analysis of cost comparisons between the renovated building and new construction. Regent Dorr seconded the motion, and it carried unanimously.

PROJECT DESCRIPTIONS AND BUDGETS

University officials presented a revised budget on the following project.

Schindler Education Center--Exterior Improvements
Source of Funds: Building Repairs

Original Budget \$177,000
Revised Budget \$314,000

Project Budget

	<u>Original Budget Jan. 1991</u>	<u>Revised Budget June 1991</u>
Contract and/or Purchase Orders	\$ 154,000	\$ 285,530
Consultant and Design Services	15,300	15,000
Contingencies	<u>7,700</u>	<u>13,470</u>
TOTAL	\$ 177,000 =====	\$ 314,000 =====

University officials requested approval of a revised project budget in the amount of \$314,000 which is an approximate 77 percent increase. The original budget was established at \$177,000 during the conceptual stage of the project development. As the design of the project progressed it became clear that the construction methods necessary to complete repair of the masonry surface of the outside of the six story building would be complex. The engineering estimate of construction cost was then developed in the amount of \$236,200.

The university received three bids for this project, with the low bid in the amount of \$283,530 exceeding the engineering estimate of \$236,200. University officials considered the bids to reflect the true market value for the proposed work and therefore requested Board approval of the revised budget in order to award the contract to the low bidder.

The revised budget also includes additional costs for the erection of scaffolding to complete the work on the building. This project provides for new brick control joints, the replacement of damaged brick, tuckpointing and painting.

Regent Hatch asked how an engineer could have miscalculated so drastically within a 6-month period. Associate Director Hollins responded that when the initial budget was prepared the engineering thoughts were conceptual. As the project developed, extensive physical analysis was undertaken including the university renting a crane and inspecting the condition of the masonry up to the sixth floor of the building. This analysis determined there were masonry defects in the cantilevered section of the building.

* * * * *

CONSTRUCTION CONTRACTS

Strayer-Wood Theatre--Ventilation Improvements

Rejection of Bids

Six bids were received for this project with the low bid in the amount of \$81,928. University officials requested approval to reject all bids, redesign the project and re-bid at a future date.

Schindler Education Center--Exterior Improvements

Three bids were received for this project ranging from \$283,530 to \$324,860. The low bid in the amount of \$283,530 is 20 percent above the engineer's estimate of \$236,200. University officials consider the bids to reflect the true market value for the proposed work and therefore requested approval to award the contract to the low bidder, Prairie Construction Company, in the amount of \$283,530.

The original budget for this project was \$177,000, which will not allow award of the construction contract. University officials requested approval of a revised budget in this capital register in the amount of \$314,000 in order to allow award of the contract.

Classroom-Office Building--Equipment \$73,284.04

Classroom-Office Building--Site Work and Gilchrist West
Parking Lot \$118,294.60

Award to: Rampart Corporation, Waterloo, Iowa
(1 bid received)

Seerley Hall Renovation--Asbestos Abatement \$31,420

Award to: Advanced Technologies Corporation, Cedar Falls, Iowa
(11 bids received)

Credit Hours		<u>Proposed Fee</u>
<u>Undergraduate</u>	<u>Graduate</u>	
1 - 5	1 - 3	\$10
6 - 8	4 - 6	20
9 - 11	7 - 8	30
12 or more	9 or more	40

The summer fee proposal is \$20 for full-time students and \$10 for part-time students.

The new fees are expected to generate approximately \$943,000 annually to be used for the sole purpose of enhancing computer applications.

Refunds of the computer fee to eligible students will be made according to the same schedule as tuition.

The Student Computer Advisory Committee has reviewed the proposal and will have input and oversight concerning the allocation of the fee.

Student government groups, the Northern Iowa Student Government and United Students of Iowa, are opposed to the mandatory computer fee.

Ron Woodall, President, Northern Iowa Student Government, stressed that the University of Northern Iowa students are overwhelmingly opposed to this fee. He said there are other ways to fund computing such as having students pay according to how much time they spend on the computer.

Lori Johnson, University of Northern Iowa Chapter of United Students of Iowa, stated that as Matt Wise pointed out at a previous Regents meeting, each of the universities should be looked at individually. She said not one single student voted in favor of the computer fee.

President Curris stated that during the morning session of this meeting extensive discussion was held concerning the budget problems. One theme, despite the financial difficulties, is that the universities need to move forward. University of Northern Iowa has a strategic plan toward excellence. He said there is no alternative to computer literacy in this country. With regard to the suggestion of usage fees, he said usage fees provide a disincentive to the use of computers. It is a matter of greater computer literacy on the part of all students and graduates.

Regent Hatch said she voted in favor of the computer fees at Iowa State University and University of Iowa because the students supported it. When adding fees on top of tuition, the total increase in educational cost is greatly above the cost of inflation. She said she could not support the fee in the face of the student opposition.

Regent Berenstein stated he would vote against the computer fee.

Regent Williams said she felt it was very important to provide computing on campus. It is not who is for and who is against but rather the bigger issue of the students' performance on the job. The students may not be able to understand the need until they are in the job market. The Regents must respond not only to the wishes of the students but for the needs in the year 2000 and beyond; not only for today's students but future students.

Regent Berenstein asked how university officials react to the statement that students say they do not need the additional computing. President Curris said he respects the fact that the student government has become very active on the issue. The students that are on the Computing Advisory Committee support the fee. The faculty feel the university needs to make a greater investment in computing.

Regent Tyrrell asked which programs will be targeted for funding. Provost Marlin said the university now has computer labs that are general purpose word processing only. If students need something for business applications, graphic design, music, computer-aided design, etc., it is not available on campus. There have been situations where the university has not been able to recruit faculty because certain computing equipment was not available. She said it is an indictment to the university to have the students say they do not need this. Students have not learned to appreciate the need for computer literacy.

President Pomerantz said he would vote for the proposal. However, he wished to send the message for the future that the Regents have substantially raised fees and tuition in the last several months. The aggregate amount of increase in tuition and fees is high. The Regents will start looking at the aggregate cost to the students. If this passes it should be considered a plateau.

Regent Berenstein said President Pomerantz made a good point. He said the Regents raised tuition 3.8 percent plus increased the student health fee plus initiated the computer fee for a total of \$170 which is a 9.1 percent increase. The cost-of-living increase was 5.7 percent.

President Pomerantz said he believed this was a special situation because it was a teaching matter. He said students did an outstanding job in presenting their views. They need to let the legislature know it has to do a better job of funding the Regent institutions.

MOTION:

Regent Fitzgibbon moved to approve the university-wide computer fee schedule for the University of Northern Iowa. Regent Furgerson seconded the motion, and it carried with Regents Berenstein, Dorr, Hatch and Johnson opposed.

UNIVERSITY OF NORTHERN IOWA
June 19, 1991

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.

IOWA SCHOOL FOR THE DEAF

The following business pertaining to Iowa School for the Deaf was transacted on Wednesday, June 19, 1991.

RATIFICATION OF PERSONNEL TRANSACTIONS. The Board Office recommended the Board ratify the following personnel transactions:

Register of Personnel Changes for May 1991, including early retirements as follows;

JEAN CAIN, Houseparent I;
BETTY CHAPMAN, Custodian I;
RAMONA CROOKHAM, School Principal;
MARTHA GILLESPIE, Teacher;
WALTER HINES, High School Principal;
WYMAN HOWARD, Teacher;
DEAN MITCHELL, Groundskeeper II;
ROBERTA MITCHELL, Houseparent II;
ROSELLA O'NEAL, Houseparent I;
GERTRUDE TAGUE, Houseparent I; and
JANICE WOOD, School Psychologist.

Approve the appointments of CHRIS NELSON as Treasurer and BARBARA LINDSLEY as Secretary in accordance with Code of Iowa Chapter 262.9.

MOTION: Regent Fitzgibbon moved to ratify personnel transactions, as presented. Regent Furgerson seconded the motion, and it carried unanimously.

REQUEST FOR APPROVAL OF RESIDENT TENANT LEASES. The Board Office recommended the Board approve leases, as follows:

With various tenants in the school-owned residences, apartments, and garages ranging in rent from \$100 per month for the residences, \$175 per month for the apartments, and \$18 per month for the garages, for a term established by the school not exceeding one year and not beyond the date of July 30, 1992.

MOTION:

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

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

NAY: None.

ABSENT: None.

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 Iowa Braille and Sight Saving School was transacted on Wednesday, June 19, 1991.

REGISTER OF PERSONNEL CHANGES. The Board Office recommended the Board ratify the school's personnel transactions, as follows:

Register of Personnel Changes for the period March 31 through May 25, 1991; and

Approve the appointment of SCOTT HAUSER as Secretary-Treasurer in accordance with Code of Iowa Chapter 262.9.

MOTION: Regent Fitzgibbon moved to ratify the school's personnel transactions, as presented. Regent Furgerson seconded the motion, and it carried unanimously.

ACCREDITATION OF IBSSS BY THE NORTH CENTRAL ASSOCIATION OF COLLEGES AND SCHOOLS. The Board Office recommended the Board receive the report on accreditation of the Iowa Braille and Sight Saving School.

Iowa Braille and Sight Saving School officials were informed by the North Central Association of Colleges and Schools of its continued accreditation. Each year the school receives a letter from the North Central Association of Colleges and Schools concerning its continued accreditation status.

This is an interim accreditation action between formal accreditation visits every ten years.

ACTION: President Pomerantz stated the Board received the report on accreditation of the Iowa Braille and Sight Saving School by general consent.

APPROVAL OF LEASES. The Board Office recommended the Board approve leases, as follows:

With the BENTON COUNTY EXTENSION OFFICE for its use of 3,029 square feet of space in the east basement of Palmer Hall for a term beginning July 1, 1991, through June 30, 1992, at an annual rental rate of \$4,824 and renewable up to three years ending June 30, 1994, with five percent per year increases in rental rate upon renewal;

IOWA BRAILLE AND SIGHT SAVING SCHOOL
June 19, 1991

With HAPPY TIME CHILD DEVELOPMENT CENTER for its use of 4,500 square feet of space in the Cottage for a period beginning July 1, 1991, through June 30, 1992, at an annual rental rate of \$5,952 and renewable up to three years ending June 30, 1994, with 5 percent per year increases in rental rate upon renewal; and

With the VINTON COMMUNITY SCHOOL DISTRICT for its use of 3,118 square feet of space in the west basement of Palmer Hall for a term beginning July 1, 1991, through June 30, 1992, at an annual rental rate of \$4,548 and renewable up to three years ending June 30, 1994, with a 5 percent per year increase in rental rate upon renewal.

MOTION:

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

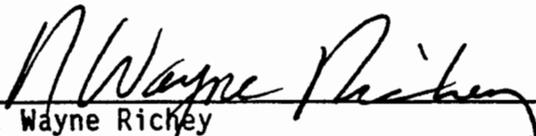
AYE: Berenstein, Dorr, Fitzgibbon, Furgerson, Hatch, Johnson, Pomerantz, Tyrrell, Williams.

NAY: None.

ABSENT: None.

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

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 5:28 p.m., on Wednesday, June 19, 1991.



R. Wayne Richey
Executive Director