

The State Board of Regents met on Wednesday, June 21 and Thursday, June 22, 1989, at the Holiday Gateway Inn, Ames, Iowa. The following were in attendance:

	<u>June 21</u>	<u>June 22</u>
<u>Members of State Board of Regents</u>		
Mr. Pomerantz, President	All sessions	All sessions
Mr. Berenstein	All sessions	All sessions
Mr. Fitzgibbon	All sessions	All sessions
Ms. Furgerson	All sessions	All sessions
Mr. Greig	All sessions	All sessions
Ms. Hatch	All sessions	All sessions
Mr. Tyler	All sessions	All sessions
Ms. Westenfield	All sessions	All sessions
Mrs. Williams	All sessions	All sessions
<u>Office of the State Board of Regents</u>		
Executive Secretary Richey	All sessions	All sessions
Director Barak	All sessions	All sessions
Director Eisenhower	All sessions	All sessions
Director Volm	All sessions	All sessions
Director Wright	All sessions	All sessions
Compliance Officer Maxwell	All sessions	Excused
Associate Director Hudson	All sessions	All sessions
Associate Director Jensen	All sessions	Excused
Assistant Director Peters	All sessions	All sessions
Minutes Secretary Briggie	All sessions	All sessions
<u>State University of Iowa</u>		
Vice President Phillips	All sessions	All sessions
Vice President Vernon	All sessions	All sessions
Associate Vice President Small	All sessions	All sessions
Assistant to President Mears	All sessions	Excused
Director Grady	All sessions	Excused
<u>Iowa State University</u>		
President Eaton	All sessions	All sessions
Provost Glick	All sessions	All sessions
Vice President Madden	All sessions	Excused
Treasurer Thompson	All sessions	Excused
Assistant to President Bradley	All sessions	Excused
Assistant Vice President Pickett	All sessions	Excused
<u>University of Northern Iowa</u>		
President Curris	All sessions	Excused
Vice President Martin	All sessions	Excused
Vice President Conner	All sessions	Excused
Vice President Follon	All sessions	Excused
Exec. Ass't. to Pres. Stinchfield	All sessions	Excused
Director Gadelmann	All sessions	Excused
Director Chilcott	All sessions	Excused
<u>Iowa School for the Deaf</u>		
Superintendent Johnson	All sessions	Excused
Business Manager Ahrens	All sessions	Excused
<u>Iowa Braille and Sight Saving School</u>		
Superintendent Thurman	All sessions	Excused
Director Hauser	All sessions	Excused

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday, June 21 and Thursday, June 22, 1989.

President Pomerantz thanked the institutional and Board Office staff for their great assistance while he was detained. He thanked Regent Tyler for chairing the May 1989 Board of Regents meeting. He said it was nice to be back.

APPROVAL OF MINUTES OF BOARD MEETINGS, FEBRUARY 9 AND MAY 24, 1989.

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

ACTION: President Pomerantz stated the Minutes of the February 9 and May 24, 1989, meetings were approved by general consent.

REPORT OF PEAT MARWICK ORGANIZATIONAL AUDITS. (a) Report on Unnecessary Duplication. The Board Office recommended the Board receive the report.

President Pomerantz recognized Dr. Alceste Pappas and Mr. James Carney.

Dr. Pappas distributed an executive summary of the Peat Marwick Main report on unnecessary program duplication among the Regents universities. She said that within ten days the Board Office would receive the report that supports the executive summary. The executive summary was organized into six sections: Context for Examination of Unnecessary Program Duplication in Iowa, Initiatives Undertaken by the Regents Universities, Our Approach to Reviewing Unnecessary Program Duplication, Recommendations for Program Change, Financial Implication of Recommendations for Program Change, and Review of Additional Program Areas.

Context for Examination of Unnecessary Program Duplication in Iowa. The consultants stated the following key contextual factors need to be understood in reference to their report on unnecessary program duplication at the Regents universities:

- * Over two years ago, the Board of Regents began a far-reaching and comprehensive process designed to focus and strengthen the mission, programs, and organization of its three universities.

- * The Board's commitment to having focused, high quality universities capable of meeting the educational needs of Iowans has encouraged the Regents institutions to initiate their own internal studies.
- * This study on unnecessary program duplication is one of thirty-five organizational audit efforts to achieve greater focus and quality. Dr. Pappas underscored that this study received the most press. This study needs to be taken as one of a series of reviews.
- * Finally, Iowa appears to have a streamlined system of public higher education at both the baccalaureate and graduate level when compared with peer states. This conclusion is based on a thorough analysis of higher education offerings and degrees conferred in five peer states. Our experience further leads us to conclude that a study of unnecessary program duplication alone does not serve as a catalyst for significant program change or reallocation of resources; rather trustees and institutional leaders must be willing to make far reaching and difficult decisions.

Dr. Pappas stressed that the consultants will present their recommendations but nothing will happen unless people are willing to make tough decisions along the way.

Dr. Pappas presented the following information on initiatives undertaken by the Regents universities:

The Regents universities have responded to the Board's directives by developing a series of significant initiatives designed to strengthen their own programmatic focus.

- * The University of Iowa is in the midst of a comprehensive strategic planning effort aimed at achieving greater focus in its core areas of strength: liberal arts and sciences, professional and doctoral education, and research. The university is, for example, taking a hard look at its engineering and education programs.
- * Iowa State University of Science and Technology is in the final stages of completing an exhaustive planning process, which strongly reaffirmed its focus on science and technology and recommended the reorganization or elimination of many programs which are not central to its mission. In addition, the university has taken strong steps to reorganize and revitalize its programs in engineering.
- * The University of Northern Iowa has consistently reaffirmed its focus as an undergraduate institution with selected graduate programs in acknowledged areas of strength. Special attention is now being devoted to

enhancing the undergraduate curriculum and improving instructional methods and supporting technology.

Peat Marwick Main Approach to Reviewing Unnecessary Program Duplication

KPMG Peat Marwick identified programs that were potentially unnecessarily duplicative by applying three initial screening factors to a comprehensive inventory of degree programs offered at the Regents universities. Academic programs that were "unique" to a particular institutions, qualified as a core undergraduate liberal arts program, or interdisciplinary in scope and focus were excluded from additional consideration. The KPMG Peat Marwick project team, in collaboration with the Board of Regents staff and the Regents universities, then organized the inventory of remaining programs into 16 program areas. Business, education, engineering, home economics, and journalism were targeted for immediate review by KPMG Peat Marwick with assistance from external higher education consultants. These five programs were selected collaboratively by KPMG Peat Marwick, the Board of Regents staff and the Regents institutions, based on their program density and complexity, as well as public perception regarding duplication.

KPMG Peat Marwick developed additional screening factors, through literature review and interviews conducted with Board staff and institutional representatives to facilitate the review of the targeted program areas. These screening factors included: centrality of the program to the institutional mission, program scope and focus, past and projected student demand, quality, available resources, and linkages of the program to other programs. Each targeted program area was also reviewed by a team of two to three external higher education consultants who have nationally-recognized qualifications in the specific disciplinary area, as well as academic administrative experience in higher education.

The remaining 11 program areas to be reviewed were organized into two categories -- (1) graduate and specialized liberal arts and (2) other professional programs.

RECOMMENDATIONS FOR PROGRAM CHANGE

Business

KPMG Peat Marwick recommended that:

- * The distinctive character of the business programs at the three Regents Institutions should be retained and, indeed, strengthened in the future.
- * Each university should develop enrollment management strategies in business programs to balance resources in order to serve both majors and non-majors optimally.

- * The consultants believe very strongly that doctoral programs in business should continue to be offered only at the University of Iowa, with the exception of the Ph.D. program in economics at Iowa State University, which is focused on agricultural economics. This particular program should continue to focus on agricultural economics.
- * Iowa State University should continue to offer business programs at the undergraduate and master's level. However, graduate level business programs should have a highly-specialized focus in the areas of agriculture and engineering, reflecting and reinforcing the central mission of the institution.
- * The primary focus of business programs at the University of Northern Iowa should continue to be at the undergraduate level. The part-time, evening MBA program serves regional needs and anticipates stable enrollment in the immediate future. However, the consultants recommend this program not evolve beyond its part-time, practitioner-oriented status into a full-time, research-oriented MBA program, as the current scope and focus of the program is appropriate and sufficient to meet the needs of the region.

Home Economics

KPMG Peat Marwick believes that the Regents universities cannot continue to offer Home Economics programs as currently configured, given resource constraints and limited enrollment in some programs. Therefore, they recommended that:

- * Iowa State University have the premier program in home economics among the Regents universities. The College of Family and Consumer Sciences at Iowa State University should sharpen its focus internally and build further collaborative efforts externally to address with greater effectiveness the many and complex problems facing individuals and families in our society.
- * The home economics department at the University of Iowa be dissolved, and the university provide options for extending home economics curricular support to other units on campus. The external higher education consultants were concerned that the home economics department at the University of Iowa does not have the resources required for a comprehensive program and may not have the critical mass within the department necessary to maintain programs of integrity. KPMG Peat Marwick acknowledged the university's continuing efforts to downsize the department and evaluate its continued viability.
- * The home economics department at the University of Northern Iowa be dissolved given the external higher education consultant team's findings that the programs are generally of uneven quality at both the

undergraduate and graduate levels. Similar programs of higher quality and with greater resources are available in the College of Family and Consumer Sciences at Iowa State University.

Journalism

The consultant's recommendation for journalism programs are as follows:

- * The journalism program offered at the University of Iowa should be retained with its current configuration of degree programs, given that it has a distinctive scope and focus and areas of particular strength, as well as high student demand. The journalism program at the University of Iowa has a strong research emphasis with important ties to other units on campus. Its undergraduate program emphasizes strategies for resolving problems in the media.
- * The journalism program at Iowa State University is not central to the mission of the institution, though its degree programs attempt to support engineering, agriculture and science writing. The consultants believe that the state should support only one journalism program. Consequently, the consultants recommended the Board eliminate the journalism program as it is currently constituted at Iowa State University. Dr. Pappas stated that this is a quality program. The consultants were not recommending its elimination because of quality.
- * The journalism-related course offerings at the University of Northern Iowa may eventually be considered unnecessarily duplicative if ever brought together as a formal degree program. The consultants, therefore, recommended that University of Northern Iowa's journalism course offerings and program plans should not be formally constituted as a degree program, as such a decision may likely result in unnecessary duplication with the program at the University of Iowa.

Education

KPMG Peat Marwick's recommendations for education programs were:

- * They concur with the issues raised by the external higher education consultants as to whether Iowa State University's industrial education program is in keeping with the university's overall mission, and recommended that the program be phased out and assumed at the University of Northern Iowa.
- * Programs that address or are based on vocational-technical education areas should be critically examined to determine how they are best structured to serve the state and its economic development. University of Northern Iowa should play a key leadership role in addressing this complex issue and in

exploring the potential for building a partnership with the merged areas schools and independent institutions with the state.

- * The consultants concurred with the external higher education consultants' conclusion that the doctoral programs in education at University of Northern Iowa suffer from inadequate funding and uncertainty regarding long-term potential. Given the large investment in resources that would be needed to support these doctoral programs in an appropriate fashion, as well as the existence of doctoral programs in education at University of Iowa and Iowa State University, the consultants recommended that the Board of Regents eliminate the five doctoral programs in education at the University of Northern Iowa entirely and reallocate these resources to undergraduate and master's level programs in education, where the University of Northern Iowa has important strengths.
- * The consultants believe the University of Iowa should scale back its undergraduate programs in elementary and secondary education and reallocate these resources to its graduate programs. These efforts dovetail with the University of Northern Iowa's well-established undergraduate programs in elementary and secondary education.
- * Recognizing the importance of upgrading graduate programs in education to educational professionals and those desiring to complete the terminal degree, the consultants recommended that doctoral programs in education be primarily offered at the University of Iowa and that Iowa State University begin to focus its doctoral programs in science education. This means the elimination of the Ph.D. in industrial education and the Ph.D. in certain of the professional studies at Iowa State University.
- * The consultants stressed that enrollment caps should be considered for the education programs at each of the three Regents universities at the undergraduate level.

Although technically not within the scope of this study on unnecessary program duplication, KPMG Peat Marwick officials concurred with the concerns raised by the external higher education consultants and the KPMG Peat Marwick study of the organization structure of the University of Northern Iowa regarding the Price Laboratory School (PLS). A more complete discussion of PLS is presented in the KPMG Peat Marwick organization and staffing review of the University of Northern Iowa, pgs. 33-38 (May 15, 1989). Presently, one-third of the 88 tenured faculty are part of the lab school. Dr. Pappas said that will have to be addressed very seriously.

Engineering

The external consultant team's final report will be issued imminently. KPMG Peat Marwick officials join the higher education consultants in recognizing

the significant planning that has occurred at both the University of Iowa and Iowa State University in engineering. These plans appear to address the concern that each college build on the strengths of its respective institutions, and not develop or maintain programs that are unnecessarily duplicative. The team is currently revising its draft report based on comments from Regents universities and KPMG Peat Marwick. The following two recommendations are, therefore, preliminary and subject to change:

- * Eliminate the materials engineering program at the University of Iowa. Both Iowa State University and University of Iowa have a materials engineering program. As the program at Iowa State University is closely linked to institutional mission, the consultants proposed that this be the sole materials engineering program in the state.
- * Eliminate the industrial engineering program at Iowa State University and retain the industrial engineering program at the University of Iowa. Industrial engineering is not considered one of the "4 core" engineering courses. The industrial engineering program at Iowa State University has served as the alternative for students unable to enroll in undergraduate business courses. As a result, this program has become more "business" rather than engineering in focus.

FINANCIAL IMPLICATIONS OF RECOMMENDATIONS FOR PROGRAM CHANGE

The recommendations for program change at the three Regents universities have financial implications, as follows:

- * Elimination of programs in home economics, journalism, education and engineering could make approximately \$5.0 million available for internal reallocation.
- * In general, the consultants believe these recommendations for program elimination and refocusing will strengthen the quality of the academic programs under review.
- * These recommendations are in addition to the approximately \$6.6 million to \$8.6 million in savings already generated as a result of the efforts of KPMG Peat Marwick during the organizational audit. Overall, the funds available generated as a result of the organizational audit are approximately \$11.6 to \$13.6 million.

REVIEW OF ADDITIONAL PROGRAM AREAS

Eleven additional program areas, categorized as either other professional programs or graduate and specialized liberal arts, have also been identified for review of potential unnecessary program duplication. KPMG Peat Marwick officials strongly urged the Regents and their institutions to undertake the

review process stipulated herein. This review may result in recommendations for potentially significant resource allocations and program change. The specific program areas targeted for review are:

Other Professional Programs

Social Work: Baccalaureate degree programs at SUI, ISU and UNI.

Leisure Studies/Parks and Recreation: Baccalaureate degree programs at SUI, ISU and UNI.

Speech Pathology and Audiology: Baccalaureate and master's degree programs at SUI and UNI.

Industrial Technology: Baccalaureate, master's and doctoral degree programs at ISU and UNI.

City, Community and Regional Planning: Master's degree programs at SUI and ISU.

Communications: Baccalaureate degree programs at SUI, ISU and UNI.

Library Science: Master's degree programs at SUI and UNI.

Graduate and Specialized Liberal Arts

Humanities: Master's degree programs in German, French, Spanish, Fine Arts and Music at SUI and UNI; and master's degree programs in English at SUI, ISU and UNI.

Biological and Physical Sciences: Baccalaureate degree program in Geology at SUI, ISU and UNI; master's and doctoral degree programs in Biochemistry and Biophysics, Botany and Microbiology at SUI and ISU; master's degree programs in Biology, Chemistry and Physics at SUI, ISU and UNI; and doctoral degree programs in Chemistry, Geology and Physics at SUI and ISU.

Mathematics: Baccalaureate, master's and doctoral degree programs in Statistics at SUI and ISU; master's degree programs in Mathematics and Computer Sciences at SUI, ISU and UNI; and doctoral degree programs in Mathematics and Computer Sciences at SUI and ISU.

Social Sciences: Baccalaureate degree program in Linguistics at SUI, ISU and UNI; master's degree programs in Psychology, History, Political Science, and Sociology at SUI, ISU and UNI; master's degree programs in Linguistics and Geography at SUI and UNI; master's degree programs in Economics and Anthropology at SUI and ISU; and doctoral degree programs in Psychology, Economics and Sociology at SUI and ISU.

Dr. Pappas stated that KPMG Peat Marwick officials recommended a review process that begins with a joint preliminary review of the program areas by the Interinstitutional Committee on Educational Coordination (ICEC) and the Board of Regents staff to determine which programs should be reviewed by external consultants for unnecessary duplication. These programs would undergo review similar to the reviews conducted for the five targeted program areas. External consultants would be engaged to conduct in-depth reviews of the programs using predefined criteria developed jointly by the ICEC and the Board staff. The reviews would include site visits by the external higher education consultants to the institutions that offer the programs. Based on information provided by the institutions on the programs and the site visits, the external consultant teams would prepare draft reports regarding unnecessary program duplication and issues for program change. The external consultants would issue their draft reports to the Regents staff who would distribute them to the institutions and the Board of Regents for review and comment. The institutions involved in a given program area would be provided a period of time for review and response to the findings and recommendations contained in the final report prior to the Board of Regents considering the recommendations.

Regent Fitzgibbon expressed concern about how the consultants arrived at the figures they indicated were the approximate savings the Board could realize if it implemented all their recommendations. He said that instead of creating a savings it could be costly. He asked that before they continue to talk about an amount of savings, the Regents be informed of how the consultants arrived at their figures.

Mr. Carney stated that in the final analysis the amount of savings will depend upon the Board's decisions. The consultants felt it was important to give some idea of the potential savings. He said that by the following Friday there would be a detailed draft with more information for the Regents' review.

President Pomerantz suggested they wait and see the report and the consultant's logic. He did not wish a debate on what kind of cost accounting principles were applied. He cautioned that the mere reduction of a program without reallocation of the resources was not the Board's intent. They have to have some kind of assumption on which the consultant's cost reductions are applied.

President Pomerantz asked if university officials would care to comment on the consultant's report.

President Eaton stated that the Iowa State University strategic planning effort has been underway for more than 2 years. When they undertook that study it was in response to a loss of 146 senior tenured faculty. The university had also been through five budget reversions. At the time they

undertook their study, university officials had no way of knowing the Board would initiate the organizational audit effort. He asked that the Regents pay as much attention to what university officials would present the following day as they did to this presentation. Iowa State University faculty, staff and officials spent thousands of hours of time on their planning study. There is now a high level of uncertainty among those persons. President Eaton's greatest concern was that having finished their planning study the Board might ignore the university's planning study in addressing what Peat Marwick officials had presented. Another concern he asked that Regents consider is the implication of the worst case scenario where the university would suffer the loss of 2,000 students. That would come on top of a loss of 1,000 students in the last 2 years. In the best scenario that loss would be about half the worst case estimate. Students might come to Iowa State University even if the majors weren't available to them. President Eaton expressed concern that he was getting mixed signals. In the past the Board had talked about bringing enrollments up and focusing on recruitment efforts. He was also concerned about the implication for enrollments of women and minorities. In the journalism program alone 69 percent of the students are women and 60 percent of the students come from the western half of the state. President Eaton asked that Board members consider the impact of eliminating the programs recommended by the consultants. He said it would mean denying access to a certain education in Iowa. The alternative is to build up at a single institution. He questioned if they build enrollments up by 600 at the University of Iowa, have they saved money? He argued they would not have.

President Eaton distributed a table that underscored the leanness of Iowa's Regent universities. The table listed the numbers of programs in many of the surrounding states. For example, Iowa at the present time has only half as many business programs. There was only one area where Iowa has more programs and that is home economics. He asked that Regents be mindful that this state is already lean in terms of program offerings. The question, he said, is will they become anorexic?

Regent Greig told President Eaton that he read with great interest the long-range planning report of the Iowa State University committee. He was particularly impressed with the internal criticism. He was extremely pleased with what the faculty came up with. A lot of "fat" was trimmed in their recommendations. He felt that with the combination of the university committee's recommendations and some of the Peat Marwick recommendations they would be able to implement some needed changes.

Provost Glick emphasized that Iowa State University officials have shared with the Board of Regents a commitment to examine carefully their resources to maximize the use of those resources. Nationally, the long-range strategic planning report of Iowa State University is the most comprehensive self study. University officials hope to succeed at implementing those recommendations. Out of that self study they identified many areas where they could either

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improve quality or refocus programs to better serve students. He said it would be ironic if those areas where university officials thought improvement could be made were used as ammunition. He felt it would be unfair for Iowa State University officials to be penalized for being out in front to study their institution. University officials assumed from prior discussions that the basis for program changes based on the consultant's report on unnecessary duplication would be cost effectiveness and centrality to the university's mission. He didn't believe the recommendations met those tests.

Provost Glick said it was ironic that at a time when they want to increase enrollments the Board is considering eliminating the majors of 8 percent of the university's students. The Iowa State University journalism program is larger and different than the University of Iowa's journalism program. The industrial engineering program enrolls three times as many women as their other engineering programs. Provost Glick stated that Iowa State University officials believe the geographic location will be important to providing access to non-traditional students.

President Pomerantz said they need to put the process in perspective. The report would be received today and a 90-day clock will start to run. The Board will receive input from all sources. He felt it was premature to anticipate what the Regents' position will be. They intend to listen and participate in dialogue to reach their ultimate objective. The expectation, hope and aspiration is that the Regents universities be among the very best in the land. In the course of reviewing programs if there is a reallocation of resources those resources will stay on the campus. He noted the Governor gave great support to the concept that they are not looking for savings but rather are looking for quality. The intent is to enhance the quality. Doing so may cause some temporary dislocation of program faculty and staff. If the greater good serves the people of Iowa then the Board may choose to pay that price. He cautioned that it was premature today to draw any conclusions. The Regents will listen, hear, be fair, evaluate, and comprehensively review the recommendations. They recognize these are extremely important decisions and are not taking that responsibility lightly. He said this is just the beginning of the process, not the end.

Regent Fitzgibbon asked for clarification of the outside consultant process. Mr. Carney said Peat Marwick officials worked with the campuses in selecting external consultants. University officials participated in the process on campus. The external consultants gave Peat Marwick and university officials their report. The campuses responded to the external consultants reports and all that information was taken into account by Peat Marwick officials. He emphasized that the external consultants' reports were one piece of an overall evaluation process of Peat Marwick Main. They drew upon the recommendations of the external consultants in some cases and in other cases did not.

In regard to the question of whether Iowa should have two schools of journalism, Mr. Carney said there was no question the Regents had two very fine schools of journalism. However, the question was whether a state of this size can support two journalism schools. Peat Marwick's methodology was to blend the academic review of external consultants with other kinds of criteria.

Vice President Vernon stated that President Rawlings was absent from this meeting because he was in Greece.

Vice President Vernon said that rather than comment on specific recommendations he preferred to make a few points about the 90-day review process. He suggested that as the Board considers what to do on this issue that the issue of whether or not Iowa can afford multiple programs is only a starting question. The key for the Board, he felt, is can the state of Iowa afford not to offer the various programs at more than one institution. He questioned the cost to the state in terms of dropping programs. That seemed to be a question at the heart of the inquiry as well as what happens to the overall institutions. He emphasized that Peat Marwick Main officials had recognized that the three Regent universities are already pretty lean. The Board's predecessors have always looked at duplication whenever university officials brought a new program up. He asked that as the Board looks at this it keep in mind there has been a strong effort to keep the institutions lean.

Vice President Vernon said the internal strategic reviews and the reviews every 5 to 7 of every academic program have a very significant impact on each of the schools. The liberal arts department at the University of Iowa will have reallocated 30 faculty positions without additional funds. University officials do this type of activity on a continuing basis. Home Economics has been shrinking. He emphasized that much reallocating has been happening. University officials have made very substantial progress. With the upcoming release of the university's strategic plan, he expected they would see much more internal refocusing. They are trying to achieve world-class programs. He was not sure the upheaval that will come from shutting down programs would have any kind of a positive effect on the campus.

Regent Greig said he had seen university officials' recent program review of the engineering school. He was confident the faculty will give everything a fair review and will do a good job.

Regent Hatch asked when the Board could expect release of the university's self-review on education. Vice President Vernon stated it is currently in draft form. University officials expect to have a final report out by September, at the earliest. They are seeking full input prior to finalizing the report.

President Curris stated the issues before them are very significant. Since this was not the occasion for full discussion he said he would focus on several key issues. He felt it was important that the Board establish, by the end of this meeting, a specific schedule and procedure for receiving input from faculty and university officials. During this period there is supposed to be opportunity for consideration of information. He felt faculty would like to know how and when that information is to be received. President Curris referred to the mission of the university with reference to teacher education. That was a key part of all the planning discussion held for several years. The charge from the Board to university officials was to develop further and be a premier institution in teacher education. University officials have been involved in a very significant planning effort. He said the Peat Marwick recommendations come as a "bolt out of the blue" and caused consternation, distress and disillusionment. He said it is critical for the University of Northern Iowa to have a reaffirmation of its mission. He was not aware of a single university anywhere in the country that offers teacher education that does not offer the doctorate in that field. If the university does not offer the recognized professional degree in teacher education it will not attract or retain the faculty needed for the quality education the Board expects. He questioned what the reaction would be if Iowa State University officials were told their Agriculture program would not offer the Ph.D. He said the only criticism about the doctoral programs is there are insufficient resources to support it. University of Northern Iowa officials believe strongly in the vertical structuring of educational programs. They prepare administrators and school superintendents at the doctoral level. He cautioned that they won't achieve quality by dissecting the teacher education function.

President Curris said he also believes that the program available at University of Northern Iowa is enhanced by the active involvement with the profession. There will no longer be quality without the involvement of practitioners. He said the Regents have spent three years in a very heroic effort in difficult times to put attention to faculty salaries. It is a significant development and everyone is proud to have been part of that effort. He cautioned that they can destroy faculty far more quickly than they can build faculty. He was concerned about the mass evacuation of quality faculty. They have to be concerned that these issues will cause key faculty to start wondering if there is a future at University of Northern Iowa.

President Curris address the consultant's recommendation regarding home economics. He said that before coming to Iowa he had never heard the term "RIF'd", meaning Reduction in Force. He said that in the University of Northern Iowa Department of Home Economics there are 220 majors. There are more full-time students in home economics than in some colleges in Iowa. He said their home economics program is a viable, accredited program. There is a great deal of concern on campus because people don't know what is going to happen. They would like an opportunity to make their case to the Board of Regents.

Regent Tyler referred to President Curris' remark about 90 days before action will be taken, and said that was a misleading statement. He said everyone seems to think the world will come to end in 90 days. There is plenty of time. President Curris said he appreciated that.

ACTION: President Pomerantz stated the Board received the executive summary of the report on unnecessary duplication by general consent.

(b) Organization and Staffing Review of University of Northern Iowa. The Board Office recommended the Board refer to the University of Northern Iowa for review and recommendation.

Peat Marwick officials have completed the organizational and staffing review for the University of Northern Iowa. They characterize the University of Northern Iowa as an institution with a strong sense of pride and community. The report noted the many accomplishments resulting from the 1984 Report of the Select Committee on University Planning.

Current lines of authority have served the University of Northern Iowa well. Recommendations were made which change some offices' authority lines to divisions which combine similarly-oriented offices together, e.g.:

Admissions into Educational and Student Services for comprehensive student tracking from admission to graduation.

Public Relations into Development as an essential component for institutional advancement.

Minority student programs into Educational and Student Services to provide an integrative approach for student services.

ACTION: President Pomerantz stated the Board referred this matter to the University of Northern Iowa for review and recommendation by general consent.

(c) Program Review of University of Iowa, Iowa State University and the University of Northern Iowa. The Board Office recommended the Board receive the Peat Marwick reports on program review and refer to the institutions for review and recommendations in Fall 1989.

This Peat Marwick report relates to the institutional processes for program review to assess the quality and effectiveness of the institutional programs.

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The process at the University of Iowa, in spite of some deficiencies such as the lack of evidence that the reviews are used as part of the institution's decision-making process, is regarded by the consultants as "exemplary."

The process at Iowa State University was found to be seriously wanting due to the lack of compliance with the Board's long-standing policy to review programs. The previous Iowa State University administration never saw fit to implement it. The Eaton administration has taken some steps to remedy this situation.

The Board needs to see that these deficiencies are corrected and that the universities periodically provide adequate information to ensure that they are being accountable. The Board Office noted that the program review processes at the University of Iowa, Iowa State University, and the University of Northern Iowa were only briefly reviewed by the consultants. Even so, the consultants identified weaknesses in the institutions' review processes. They were also not analyzed closely with respect to the Board's current policy, except to indicate that in two cases (University of Iowa and University of Northern Iowa) the universities have a policy in place and in another instance (Iowa State University) the university does not have a policy in place.

It will be important that the institutional reports (now required by Board policy) provide the Board with sufficient details of the process so that the Board (and the Board Office) can make an assessment as to whether or not the institutions are undertaking meaningful, periodic assessment of their academic programs. Any deficiencies identified will need to be corrected.

The Board's program review process puts high emphasis on institutional accountability, unlike some other state boards that conduct their own review. Consequently, it is essential to the success of this approach that the institutional processes be creditable.

ACTION: President Pomerantz stated the Board received the Peat Marwick reports on program review and referred to the institutions for review and recommendations in Fall 1989 by general consent.

(d) Faculty Workload Studies. The Board Office recommended the Board refer to individual institutions, the Interinstitutional Committee on Educational Coordination, and the Board Office for review and recommendation.

Peat Marwick officials have completed the reports on faculty workload at Iowa State University and the University of Iowa. At the University of Iowa, Peat Marwick officials report that the university uses a decentralized approach to setting workload standards (i.e., colleges set own standards). In most

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instances peer comparisons of the University of Iowa faculty workloads fall in the "average" range.

At Iowa State University the consultants report that the university, as a whole, does not have a workload policy as each college sets its own policy. At Iowa State University the unwritten standard full-time teaching load for faculty is 12 credit hours per semester for faculty whose sole responsibility is for instruction.

The recommendations for the University of Iowa include maintaining the decentralized approach to faculty workload with central administration monitoring and undertaking further study of certain aspects of faculty workload.

The recommendations for Iowa State University include the development of a formal institutional faculty workload policy and study certain aspects of faculty workload and data collection on faculty workload.

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

REPORT OF THE INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. The Board Office recommended the Board approve the recommendation of the Regent Interinstitutional Committee and the Regent Committee on Educational Relations regarding approval of the area schools.

The Board of Regents shares with the Department of Education the statutory responsibility for approval of the area/community college standards and to evaluate annually each of the schools.

The Regent Committee on Educational Relations working through the Interinstitutional Committee participates in the annual evaluation process at the request of the area schools.

This year the recommendations of the Regent committees and the Department of Education recommended approval of all area schools (some with stipulations).

Provost Glick introduced Jerry Dallam, Chairperson of the Committee on Educational Relations. Mr. Dallam said he would be pleased to answer any questions the Regents might have.

Regent Tyler referred to the following information provided in the docket memorandum on this subject:

The recommendations for area school approvals are submitted in compliance with administrative rules adopted by the State Board of Education and the State Board of Regents. The rules and Iowa Code provide certain responsibilities and authority to the State Board of Education and to the State Board of Regents.

Regent Tyler said this was the first time he had heard that the Board of Regents has anything to do with area schools approvals.

Director Barak said it is joint responsibility for the adoption and approval of standards under which the community colleges operate. In the administrative rules the Department of Education has invited the Board of Regents to be joint participants in the visits. This is accomplished through the Regents Committee on Educational Relations.

Regent Tyler stated there are increasing problems of area schools. He felt the Regents should take a closer look at their statutory responsibility.

President Pomerantz asked for the membership of the Committee on Educational Relations.

Mr. Dallam stated there are three members of each of the Regent universities. Those persons include representatives from the registrar's office, academic affairs, and the college of business or education. Nine members constitute the Committee on Educational Relations. Each year one member of the committee will travel with the Department of Education representative on the visits to the area schools. The primary concern of the persons representing the Regents is discussing issues of articulation.

Regent Tyler asked if the recommendations on approval of the area schools is routine or something of substance. Mr. Dallam said there is some substance. Last year they looked at library facilities. They made recommendations in terms of improvements in staffing of libraries.

Regent Tyler asked Mr. Dallam if, since he has been a member of the committee, he had ever seen anything turned down. Mr. Dallam said he had not but had seen recommendations for improvement.

President Pomerantz stated that group serves as an accreditation committee. They approve the curriculum for the area schools.

Mr. Richey referred to the role of the Board of Regents in the annual approval process. It was previously included as part of the Board of Regents' statutory authority. A change slipped into a bill a few years ago that removed that as a statutory right. The Regents remain involved now through a cooperative arrangement.

Vice President Martin said the Regents representatives perform an external review function. Their representatives try not to be too restrictive or intrusive.

Regent Berenstein asked about the monitoring program to be used with the Western Iowa Tech Community College. Mr. Dallam responded that Western Iowa Tech Community College officials are making recommendations for transfer programs. As the institution moves in that direction the Regent institutions want to look at the progress they make over a number of years.

Regent Berenstein asked if there will be a specific monitoring program? Mr. Dallam said there will.

Regent Fitzgibbon questioned the effectiveness of the area schools approval process. Mr. Dallam said it is very useful in articulating transfer programs. He said he would like to think it benefits the area schools. Vice President Martin said it keeps Regent university officials in touch with area schools.

President Pomerantz referred to the process of transferring students. He said that process works better than it would work without the annual articulation. He noted that the legislative inquiry into the area schools will deal with issues such as responsibility shared with the Department of Education, the Board of Regents and the local campus in terms of administration and hiring of the president.

MOTION:

Regent Greig moved to approve the recommendation of the Regent Interinstitutional Committee and the Regent Committee on Educational Relations regarding approval of the area schools. Regent Williams seconded the motion, and it carried unanimously.

ACCREDITATION OF IOWA BRAILLE AND SIGHT SAVING SCHOOL 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 by the North Central Association of Colleges and Schools.

This is a routine notification of accreditation by North Central Association of Colleges and Schools. No site-visit was involved in this accreditation.

President Pomerantz expressed the Board's congratulations for this accreditation.

ACTION:

President Pomerantz stated the Board received the report on accreditation of the Iowa Braille and Sight Saving School by the North

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Central Association of Colleges and Schools
by general consent.

PROGRESS REPORT ON THE LEGISLATIVE HIGHER EDUCATION TASK FORCE. The Board Office recommended the Board receive the report on the Legislative Higher Education Task Force and indicate reactions to preliminary conclusions of the Task Force.

The Legislative Higher Education Task Force completed some preliminary steps toward the development of its report to the Legislature. The actions were taken tentatively by the Task Force pending review at a meeting to be held in August. The recommendations were provided by five sub-committees and cover a broad range of major higher education issues ranging from changes in governance to free tuition at community colleges.

The final preliminary report will be issued in August so the specific recommendations are subject to change. The report will be circulated widely and will be the subject of hearings this fall. Based on the hearings and other input a final report will be prepared by the Task Force for the legislature in November.

Director Barak stated the task force held preliminary discussions for its preliminary report. The process is as follows: At a meeting a couple of weeks ago the task force gave instructions to its consultant to develop draft reports for its August meeting. At that time they will issue a preliminary report. Following that issuance feedback will be received from various groups. In November the task force will adopt the final report and make recommendations to the legislature. Director Barak said it was likely the draft report in August will include items like the adoption of a coordinating board for education. That coordinating board would have responsibility to make recommendations on budgeting and programs. Its recommendations will be made to the new joint legislative higher education committee. Another item expected to be included in the draft report in August was the possibility of offering 4-year programs at area schools in vocational technical areas. The exact term for the 4-year degree has not been finalized although one possibility is Bachelor of Applied Technology.

Regent Williams stated that some of the recommendations from each subcommittee conflicted with recommendations of other subcommittees.

Vice President Vernon said the subcommittee reports contain two items that the Regents should be careful of. One is the seeds of another attempt at a super board and the second is the offering of an affiliate degree. Either of those items would have a very serious impact on the Regent institutions. He felt the Regents should monitor the recommendations and then "fight the good fight" at the appropriate time.

Regent Williams said she attended a subcommittee on governance hearing. She felt the Regents were not proportionately represented especially on the issue of governance. She expressed strong concerns about the direction the task force is going.

Regent Fitzgibbon asked what the Regents could do at this point to express their feelings loud and clear. He wished to make clear the position of the Board of Regents now, not later.

President Pomerantz asked if Regent Fitzgibbon was suggesting putting the Regents' feelings in writing? Regent Fitzgibbon said that was what he was suggesting. He felt they should express their concern on record now and then monitor and follow up.

Regent Tyler said he could not perceive that the people of Iowa are ready to support 15 four-year institutions.

President Pomerantz cautioned that the final recommendations were yet to be made. He said they should continue to monitor and proceed with Regent Fitzgibbon's suggestion to advise the task force of the Regents' position.

Regent Fitzgibbon felt that should be done now.

President Curris referred to the proposed "super board" and said it was his understanding that the subcommittee did not recommend a super board but the consultants pushed for one. Director Barak confirmed that the suggestion came from the consultants.

Regent Greig asked that they pass Regent Fitzgibbon's message on.

President Pomerantz said there was consensus to do that.

ACTION: President Pomerantz stated the Board received the report on the Legislative Higher Education Task Force and indicated reactions to preliminary conclusions of the Task Force by general consent.

AFFIRMATIVE ACTION PROGRESS REPORT. The Board Office recommended the Board (1) receive the affirmative action reports and (2) request Regent institutions to develop multi-year affirmative action plans.

University of Iowa officials project the appointment of seven Blacks, two Hispanics and five Asians to new tenured and tenure-track positions for the 1989-90 academic year. This represents 25 percent of the new appointments.

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Iowa State University officials have extended offers of tenure-track appointments to seven Blacks, one Hispanic, one Indian and nine Asians for the fall of 1989.

University of Northern Iowa officials report that four minorities accepted offers for faculty tenure-track appointments for the 1989-90 academic year.

University of Iowa officials project that women will comprise 46 percent (26 of 57) of the new tenured and tenure-track faculty beginning in the fall of 1989.

Iowa State University officials have extended offers of faculty tenure-track appointments to 18 women.

University of Northern Iowa officials report that eleven women accepted tenure-track appointments for the 1989-90 academic year.

Compliance Officer Maxwell stated he felt the Regent institutions and the Board Office are on the right track in regard to affirmative action. The Board Office requested development of multi-year affirmative action plans.

Regent Furgerson said she agreed with the need for multi-year plans.

Vice President Vernon stressed that the report on the University of Iowa's progress is very preliminary. The information does not include the medical school. Only one-third to 40 percent of the new appointments were listed. He felt they would end up with a percentage that is far less than shown in this report. He cautioned that the final report in October will not reflect this kind of performance.

Provost Glick said that women account for 34 percent of new tenure-track faculty. Iowa State University will have its first American Indian join the faculty in the fall. He noted that as of this coming fall Iowa State University will have four women deans.

Regent Williams questioned why there were so many persons under the executive/administrative/ managerial work force category. Specifically, she questioned why there were 395 at Iowa State University and 137 at the University of Iowa.

Iowa State University Affirmative Action Officer Charles Samuels stated there was a difference in how administrators are counted. At Iowa State University they utilize the Dictionary of Occupational Titles published by the U.S. Department of Labor. That publication states that anyone with administrative responsibility should be listed as an administrator. He said this problem has existed for years in regard to how each of the universities counts their administrators. Iowa State University has a high number of low administrators.

Regent Williams stated it is very important that the data be presented in the same format so the Regents can fully understand what is happening.

Mr. Richey said the comments at this meeting will help staff get the reporting formats standardized. In the past there has been a lack of institutional cooperation in regard to this effort.

Regent Furgerson said uniformity is very important. She offered her assistance in developing forms that are similar among the institutions.

Associate Vice President Small said part of the difficulty is that the universities do affirmative action plans for the Board of Regents, the state and federal contractors. A certain set of federal auditors may feel that certain classifications should be in certain categories and others may feel differently.

Regent Williams questioned how difficult it could be to agree on a definition of each category. She asked university officials to do that.

Regent Fitzgibbon said the Board Office should take a leadership role in putting this together with the input of institutional officials.

Regent Williams asked for a summary of how the reports will occur and how the Regents will receive those.

President Pomerantz said the Board will make a request through the Board Office to have comparable data. He felt sure they will get the cooperation.

Regent Fitzgibbon asked if 60 days was ample time to get this task accomplished. Mr. Richey said it was. President Pomerantz asked that be presented to the Board by the August Board meeting. Mr. Samuels expressed concern that the time table might be kind of tight. Regent Fitzgibbon asked that they try to meet that schedule.

Regent Hatch stated that in regard to information on tenure track faculty, she was underwhelmed at the progress. She said the University of Iowa had a net increase of 2 women and lost 2 minorities. Overall, they lost 23 women and gained 19 women, and gained one minority. At Iowa State University tenure track faculty overall suffered a net loss of 9. In the non-tenure category university officials appointed 16 women but lost 17. At the University of Northern Iowa in the tenure track category, the number of women decreased as well as the number of minorities.

Mr. Samuels said a lot depends on how goals are set. Goals are established on the basis of the opportunities. He acknowledged that the problem may be retention.

Regent Furgerson asked if university officials perform exit interviews. Mr. Samuels said exit interviews are done on women and minorities.

Compliance Officer Maxwell said there has been a lot of discussion as to approach. He felt the Board had told staff they want plans to address the Board's needs and concerns. President Pomerantz said staff had heard correctly. The Board expects a report back within 60 days or by the August Board meeting.

MOTION: Regent Williams moved to (1) receive the affirmative action reports and (2) request Regent institutions to develop multi-year affirmative action plans. Regent Furgerson seconded the motion, and it carried unanimously.

FINAL REPORT ON LEGISLATIVE ACTIVITIES, 1989 SESSION. The Board Office recommended the Board receive the report on legislative activities and authorize the recommended actions.

On June 6, 1989, the Governor completed final action on all legislation passed in the 1989 session. The Governor vetoed the requirement that capital projects equal to or exceeding \$250,000 be approved by the new legislative capital projects committee in Senate File 546. The Governor vetoed the requirement that institutions issue debt for energy cost savings programs in Senate File 546.

Lottery appropriations for Regent institutions were unchanged by the Governor in House File 785.

The Governor vetoed appropriations of \$1,050,000 for library automation in House File 774 and \$25,000 for asbestos removal at Iowa School for the Deaf in House File 799.

The language prohibiting institutional reimbursement of Board Office was vetoed in House File 774. Language allowing Malcom Price Lab School to participate in open enrollment was vetoed to avoid double state funding of students.

The language that required the Regent institutions to seek legislative approval to proceed with the financial information system project was vetoed in House File 799. Language restricting the ability of the Regent institutions to amend their budgets and adjust salary appropriations without legislative approval was vetoed in House File 774.

The Education Appropriation bill imposes requirements upon the Regents and requires responses. The following is a listing of requirements and recommendations for implementation.

	Oct.	Nov.	Dec.	Jan.
Child Care Study		Institutions Report to the Board		
Teachers Excellence Award Report		Institutions Report to the Board	Report to Legislature	
Planning Study at ISD for Recreational Facility			ISD presents study to Board	
Minority and Women Educators Enhancement Program			Interinstitutional Comm. presents to Board	Program to Legislature January 1
College Bound Program	Interinstitutional Comm. to present rules to the Board		Board to submit rules to Admin. Rules Coord.	
UIHC Report		UIHC Report to the Board	Report to the Legislature	

Director Eisenhower said it was her pleasure to introduce the new Associate Director of Business and Finance, Brad Hudson. Mr. Hudson is a graduate of Iowa State University. In his previous position with the Department of Management, Mr. Hudson was responsible for helping with this year's school aid formula. He was also responsible for distributing the school foundation funds and serving as liaison. Ms. Eisenhower said the Governor gave Mr. Hudson the "Employee of the Month" award.

Director Eisenhower stated the Governor vetoed every item the Board of Regents asked him to veto.

Regent Tyler said he felt that an appropriate message should be relayed from the Board of Regents and the institutions to the Governor. He said that if the Governor had not vetoed some of the items he vetoed there would be some very substantive changes in the way the Board of Regents and the institutions operate.

President Pomerantz said there was a consensus of the Board to communicate that message to the Governor, and that it would be taken care of.

Vice President Vernon expressed concern for not receiving the library automation appropriation. He said that money was to run the automation they currently have, not for new automation. Without that money the law library and the medical science library will suffer. University officials are forced to reallocate which means cancelling repairing the leaky roof in the music building and repairing the pool in the gymnasium.

President Pomerantz said there was an attempt on the Governor's part to ensure all the capital money will be available and not leave projects in a state of flux. In order to do that the Governor vetoed across the board. He felt the Board should make library automation priority number one on its legislative agenda for next year.

Vice President Vernon referred to the Rural Ag Health and Safety project. He said the appropriation was lost but university officials were still directed to expand that project.

MOTION:

Regent Greig moved to receive the report on legislative activities and authorize the recommended actions. Regent Berenstein seconded the motion, and it carried unanimously.

APPROVAL OF OPERATING BUDGETS FOR FISCAL YEAR 1990. The Board Office recommended the Board (1) receive the report on detailed budgets and budget policies for fiscal year 1990 with final approval scheduled in July and (2) receive budgets for the following special purpose appropriations in accordance with legislative action:

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Livestock Disease Research (ISU)	\$300,000
Fire Service Institute (ISU)	410,000
Leopold Center for Sustainable Agriculture	900,000
Water Resource Research (ISU)	150,000
Small Business Development Center (ISU)	1,300,000
Agriculture Biotechnology (ISU)	4,250,000
Livestock Technology Transfer (ISU)	300,000
Amorphous Semiconductor Project (ISU)	500,000
Research Park (ISU)	250,000
Technology Innovation Center (ISU)	100,000
Biodegradable Plastics Research (ISU)	398,000
Energy Extension (ISU)	70,000
Center for Health Effects of Environmental Contamination (SUI)	200,000
Oakdale Research Park (SUI)	221,000
Technology Innovation Center (SUI)	100,000
Technology Transfer Consortium (SUI)	100,000

Note: The University of Northern Iowa had not submitted budget documentation to the Board Office for review at the time of the preparation of docket materials.

The Board Office recommended the review of detailed budgets again in July. Any changes proposed by the Board during this meeting are to be incorporated into the fiscal year 1990 budgets for the Board's final review in July.

When the preliminary budgets were discussed in May, a distinction was made between the general operating budgets and the consolidated budgets. The general operating budgets total \$851,982,646 and reflect the allocation of resources from state appropriations, tuition and fees, and income from various other sources. Consolidated budgets will total approximately \$1.3 billion and reflect the allocation of resources from the following restricted funds not included in the general operating budgets:

- special purpose appropriations such as lottery funds and groundwater funds
- auxiliary system revenue such as residence systems, utilities systems and intercollegiate athletics at the University of Iowa
- federal funds designated for restricted purposes
- grant and contract funds designated for restricted purposes

The data compiled in this docket item used detailed budgets for all institutions except for the University of Northern Iowa which had not filed detailed budget documents at the time of this writing. In the case of the

University of Northern Iowa, preliminary budget information filed in May was used.

Overall general fund budget growth projected for fiscal year 1990 is 11.7 percent. The expenditure growth is principally in salary categories which increase 9.6 percent. The revenue growth is in three areas:

Student fees	6.8 percent
Sales and services (principally from the University of Iowa Hospitals and Clinics, including \$19.8 million due to accounting method change for non- hospital services)	22.3 percent
State appropriations	9.6 percent

The legislature appropriated \$38.8 million of additional operating funds to the Board of Regents including salary increases and tuition replacement. This is an increase of 9.6 percent. In addition to the additional operating funds, the Board of Regents will receive \$33.7 million in capitals and \$8.3 million in lottery appropriations.

Despite this revenue growth, internal reallocation is required to meet the cost of faculty and professional and scientific staff salary policies. Faculty salary policy at each university will provide an average increase of 10 percent to continuing faculty. The two special schools propose to achieve an 8.9 percent average faculty salary increase plus 1.1 percent for professional development.

Through his salary adjustment recommendation, the Governor augmented the standard 5 percent state appropriation for faculty salaries requiring only approximately one-half percent reallocation by each university. Therefore, appropriations fund a faculty salary budget increase of approximately 6 percent, except for the University of Northern Iowa where appropriations were provided for approximately 6.5 percent faculty salary budget increase. Increases in tuition revenue and internal reallocations comprise the balance of faculty salary funding at the universities.

Professional and scientific staff salary policies:

University of Iowa	7.0 percent
Iowa State University	6-7 percent
University of Northern Iowa	4.5 percent July 1, 1989
	4.0 percent Jan. 1, 1990
Special Schools	3.5 percent July 1, 1989
	5.0 percent June 1, 1990

Appropriations as a percentage of the general university budgets and special school budgets are as follows:

University of Iowa	64.9%*
Iowa State University	65.7%*
University of Northern Iowa	73.8%*
Iowa School for the Deaf	97.6%
Iowa Braille and Sight Saving School	93.4%

* These percentages do not include the restricted funds which are approximately \$460 million. Restricted funds are a significant portion of the total budget at the University of Iowa and Iowa State University.

Major new initiatives funded by state appropriations are:

Undergraduate Education	\$1.7 million
Minority Recruitment	1.0 million
Ag Research	2.0 million

Inflation increases, which have not been funded in recent years, are generally budgeted at about 3.5 percent.

Tuition revenue projections are approximately the same as projected by the Board Office last fall when rate increases were decided. However, there are variances by university with the University of Iowa \$1.9 million higher than projected, Iowa State University \$1.4 million lower and the University of Northern Iowa \$600,000 higher.

The tuition replacement appropriation is \$18.9 million. Tuition replacement appropriations are expected to be sufficient to meet the entire cost of debt service on academic building revenue bonds during fiscal year 1990.

Mr. Richey stated the Board Office had not received all the detailed operating budgets. Therefore, staff is behind in terms of total review. That review will be completed and the budgets resubmitted to the Board of Regents at its July meeting. He noted that this follows the process initiated last year to take more time with the budgets. The total Regents budgets for next fiscal year are \$1.34 billion. The appropriation portion of that is \$442 million. The budgets presented this month were essentially in compliance with preliminary budgets approved last month.

Vice President Vernon said University of Iowa officials would utilize the improving undergraduate education funds for short-term positions in the current year while recruiting for the succeeding year. These new positions will be to teach core courses.

Regent Williams said she was most encouraged about the infusion of dollars into undergraduate education. She said that simply adding people isn't enough -- there must be an infusion of quality. She felt one of the biggest problems is the perception that the focus of the faculty may not be "students first". She felt that priority was as important as having an appropriate number of faculty. She hoped the Regents would get reports back from the universities that will assure the Regents and the public that the quality of education is improving.

Regent Fitzgibbon asked about the budgeting to address fire safety. Specifically, he wanted to know how much was budgeted and when it would be expended. Associate Director Jensen said the budgeted amount was \$1.25 million. Mr. Richey clarified that was the amount of direct appropriations.

Regent Fitzgibbon asked for the most recent estimate of what it would take to bring the campuses up to appropriate levels of fire safety.

Vice President Madden stated that at the Iowa State University campus it would take \$4 million to address fire and environmental safety needs.

Vice President Phillips stated the figure for the University of Iowa is slightly higher than Iowa State University's.

Regent Fitzgibbon said there was a lot of need and he felt it should be a top priority even if they have to give something else up.

President Pomerantz referred to General Docket item 9 memorandum, page 2. He said priorities 1 and 2 deal with fire and environmental safety in the amount of \$3.75 million for all 3 universities. He acknowledged that amount does not cover all the need but it is a beginning. He said they must make sure the students are in safe buildings.

Regent Fitzgibbon said they should have documented where they have problems.

President Pomerantz said the Board would like to know no later than next meeting if there are any Regent buildings that need attention this year that are not scheduled to receive attention. He said the intent was to make sure there is not an emergency situation that is not being dealt with.

Mr. Richey said staff will submit a report in July. Regent Fitzgibbon asked that the report be quite detailed.

Regent Hatch stated she had met with representatives from student government at the University of Iowa and heard horror stories. The student government has done a study on fire safety.

President Pomerantz said it will be docketed for the next Board meeting. If students care to comment they may do so at that time.

Vice President Phillips said the budget materials the Board was discussing were the operating budget for fiscal year 1990. Institutional finance staff are also preparing the Fiscal Year 1991 and 1992 requests and have been stretched.

Mr. Richey said the issue was of the salary letters.

President Pomerantz suggested that salary approval be included as part of the motion. He said the Regents need to ensure funding between now and when they approve the budgets.

MOTION: Regent Williams moved to (1) receive the report on detailed budgets and budget policies for fiscal year 1990 with final approval scheduled in July, (2) receive budgets for the special purpose appropriations in accordance with legislative action and (3) authorize the institutions to issue salary letters. Regent Hatch seconded the motion, and it carried unanimously.

Regent Greig asked if the Fire Service Institute is budgeted at the same amount as in last year's budget. Vice President Madden said its budget was increased \$20,000 from last year.

CAPITAL PROGRAM FOR FISCAL YEAR 1990. The Board Office recommended the Board receive the report on the Board of Regents fiscal year 1990 capital program.

Senate File 363 supplemental appropriations provided \$1.25 million for Fire and Environmental Safety and \$1.1 million for Completion of Power Plant Replacement at the University of Northern Iowa. Funds need to be encumbered by June 30, 1989.

University of Iowa Hospitals and Clinics officials project expenditures of \$5.243 million in fiscal year 1990, completely funded by University Hospitals Building Usage Funds with no state appropriations.

House File 799 provided \$33.94 million for the universities' fiscal year 1990 capital program.

Nine of the top 11 Regent priorities received some funding. No funding was received for the special schools for fiscal year 1990. No funding was received for Deferred Maintenance for fiscal year 1990.

Associate Director Jensen informed the Board of what capital funding was received and what projects the institutions may undertake. He said no funding

was received for deferred maintenance. Completion of the comprehensive energy audits is anticipated for the end of the month.

Regent Fitzgibbon stated they should come up with a plan to address deferred maintenance. He felt it was the appropriate time to "take a shot at it". They should ask for the full amount needed and from then on they can stay on top of deferred maintenance. He said they should put a plan together.

President Pomerantz suggested they should take a look at what they are categorizing as deferred maintenance. He urged that they make a beginning at some significant level.

Regent Fitzgibbon suggested they develop options such as a 1-year plan, a 2-year plan and a 3-year plan.

President Pomerantz stated they should validate the amount needed, identify a 3- to 5-year program, and get the job done.

Regent Tyler suggested that exhibits A and B to this docket item be forwarded to Representatives Hatch and Varn and the education subcommittee with an appropriate cover letter from the Board of Regents.

Regent Williams stated it was important that before they jump on the band wagon the Board, using the expertise of the universities, develop a cyclical maintenance plan. President Pomerantz said he agreed.

Regent Greig stated deferred maintenance keeps increasing. He said institutional officials should stop any more deferring.

Mr. Richey stated staff would address the issue of deferred maintenance in more depth and bring an outline of a plan to the July Board of Regents meeting. The Board would consider the matter in July, August and September in terms of its budget request.

Regent Hatch said she has talked to members of the education subcommittee. The perception on the part of the legislators is that they have been appropriating funds for deferred maintenance and the universities choose to use the funds in other ways. She said they need to change some perceptions in terms of what the needs have been and why institutional officials have had to give up some projects.

President Pomerantz referred to the docket memorandum and said part of the answer is in it, as follows:

House File 799 provided \$33.94 million for the universities' fiscal year 1990 capital program. No funding was received for deferred maintenance for fiscal year 1990.

President Pomerantz said the bottom line is that they have to both build new buildings and repair existing buildings. They should approach it that way during the next legislative session.

ACTION: President Pomerantz stated the Board received the report on the Board of Regents fiscal year 1990 capital program by general consent.

REPORT ON STUDENT FEES. The Board Office recommended the Board:

- (1) Receive the report on student fees.
- (2) Request the University of Iowa to conduct a survey to determine the number, nature, amount and disposition of course fees charged to students.
- (3) Request the University of Iowa to develop, in consultation with faculty and students, guidelines for the establishment and review of course fees.
- (4) Request the universities to review existing institutional policies and procedures regarding fees in order to achieve the following goals:
 - a. The nature and amount of all fees charged to students should be limited to the actual amount required to provide the necessary goods or services to minimize the cost of education to students and their families.
 - b. All student fees should be administered equitably and accounted for appropriately.
 - c. Students and their families should be apprised of the nature and amount of total fees as early as possible in the enrollment process.
- (5) Request the universities to proceed to develop phased plans to establish self-supporting student health services financed through mandatory student fees and service charges.
- (6) Adopt the following suggested student fee guidelines:
 - a. Establishing, collecting and disbursing all fees should be done centrally for control, accountability and service to students. Faculty members should never collect fees in class.
 - b. The Board should review and approve fees included in tuition and miscellaneous fees in the spring each year and review course fees every four years to provide a comprehensive overview of fees charged to students and to permit fees to be printed in course catalogues. Currently, the Board allocates fees included in tuition each spring,

- approves miscellaneous fees in the fall, and does not review or approve course fees.
- c. The amount of a course fee should not exceed the actual additional cost of providing special supplies, unusual support costs or specialized equipment for the course.
 - d. Each university should establish a procedure for the review and approval of course fees and all course fees should be evaluated at least every four years.
 - e. Each university should establish an appeal process for students who feel they have been charged a course fee in excess of the cost of providing the course.
 - f. Fees should not be charged to students to use university-owned equipment for coursework unless the student damages the equipment, unless there are compelling reasons for the requirement. (Fees to pay monitors to keep labs open should be allowed so that students have access to instructional equipment.)
 - g. Students should not be required to purchase learning materials or supplies from the university if they are available from a local retailer unless there are compelling reasons for the requirement.

The purpose of this study is to describe all fees that are charged to students, to describe existing Regent-wide and institutional fee policies and to propose guidelines which will assist the Board in its attempt to minimize educational costs to students and their families without compromising academic standards.

Three types of fees are charged by Regent universities: 1) Fees included as part of tuition, 2) Miscellaneous fees, and 3) Course fees. Each year the Board receives information and takes action related to student fees on at least four occasions.

Among the most expensive fees is a computer fee for Engineering students at the University of Iowa and Iowa State University of \$200 per academic year. Another of the most expensive fees is the instrument fee for Dentistry students at the University of Iowa of \$1,733 per year for DDS students and \$425 per year for Dental Hygiene students.

The following table illustrates the level of fees included as part of tuition for fiscal year 1989 for a resident undergraduate student:

	<u>Gross Tuition and Fee</u>	<u>Fees included as part of tuition</u>	<u>Fees as a % of Tuition</u>	<u>Net Tuition</u>
SUI	\$1,706	\$120.48	7.1%	\$1,585.52
ISU	1,706	168.18	9.9%	1,537.82
UNI	1,690	119.29	7.1%	1,570.80

Miscellaneous fees include such items as computer fees, transcript fees, thesis fees and application fees. Projected revenue from miscellaneous fees for fiscal year 1989 follows:

	<u>General Fund</u>	<u>Other Fund</u>	<u>Total</u>
SUI	\$1,620,400	\$2,607,400	\$4,227,800
ISU	606,573	2,149,138	\$2,755,711
UNI	<u>370,198</u>	<u>1,015,500</u>	<u>\$1,385,698</u>
TOTAL	\$2,597,171	\$5,772,038	\$8,369,209

Course fees are charged to students who enroll in courses requiring special supplies, unusual support costs or specialized equipment. Course fees are not approved or regularly reviewed by the Board. It appears they are regularly reviewed and approved by university administrators only at the University of Northern Iowa and Iowa State University.

In the fall of 1989, Iowa State University will have approximately 740 course fees ranging from \$5.00 to \$30.00 not including some field trips which may cost more. The University of Northern Iowa will have approximately 134 course fees ranging from \$2.00 to \$40 not including a \$228 remedial course fee.

The only Regent-wide policy regarding fees is noted in the Procedural Guide. It describes the requirement for Board approval before any new miscellaneous student fees or increases in previously-approved fees may occur.

Regent oversight has been limited to reviewing the recommendations of the universities for new fees or proposed increases in fees included as part of tuition and miscellaneous fees. The objective has been to make these fees a matter of public record, encourage comment by affected parties, and establish the fees through Regent action.

None of the universities has a university-level policy statement relating to fees included as part of tuition or miscellaneous fees. Iowa State University and the University of Northern Iowa have documented policies relating to course fees. The University of Iowa has a documented policy relating to voluntary student fees.

A review of the student fees charged at all three universities shows that there are fees charged for items not directly related to instruction. Student health, intercollegiate athletics, student newspapers, and campus transportation are notable examples.

Each university should review existing policies and procedures to be sure the nature and amount of fees charged are limited to the actual amount needed to provide the necessary goods or services, the fees are administered equitably and accounted for appropriately and students are apprised of fees as early as possible in the enrollment process.

Proposals for the establishment of new fees or for increases in existing fees should continue to be viewed within the context of the total package of student tuition and fees.

Director Eisenhower stated that a few months ago the Board Office was given the charge of conducting a comprehensive analysis of student fees. Staff identified three types of fees: activity fees which are included as part of tuition, miscellaneous fees and course fees. The priority issue study group on student health services performed a study last fall. Its recommendation was that the approach for financing student health services would be similar to financing the residence systems and athletics at the University of Iowa.

Regent Williams referred to miscellaneous fees and said she somehow thought that when the Board approved those fees last September it was with the understanding that between then and now staff would look at each of those and determine which were appropriate. Director Eisenhower said there has not been a detailed analysis. Regent Williams asked if the Board members can assume that will be done before December.

Regent Westenfield asked why the course fees are recommended for review only every four years. Director Eisenhower said that with 740 different course fees staff found it would be unreasonable to expect institutional officials to evaluate fees any more often than four years. Institutional officials may review a portion of the fees every year but all of them must be reviewed at least every 4 years.

Regent Fitzgibbon cautioned they should be careful about passing costs onto the student. He said they are seeing more and more student fees.

President Pomerantz stated the Board had asked for a review of each fee. Instead of reviewing the fees staff issued an approach which deals with guidelines, and the guidelines control the fees. He asked if any Regents had a problem with the process.

Vice President Madden asked for clarification on the guidelines on charges for equipment. In the computer area, the College of Engineering charges a \$100/semester fee to engineering students, a portion of which is used for the

acquisition of computer equipment. He hoped staff did not intend to say the institutions cannot use fees to purchase equipment. Director Eisenhower said staff recognized there may be some exceptions and therefore added the "unless compelling reasons" clause.

Regent Hatch questioned whether the Regents' study of the provision of student health services encompassed examining alternatives other than the maintenance of separate student health facilities. Director Eisenhower said they did discuss alternatives. She felt that as institutional officials develop phased-in plans those plans will include some alternatives.

Regent Hatch asked if it would be possible for the newly-appointed Regents to review the Regents' report on student health services before they are asked to act. Mr. Richey said that report would be provided as well as the Minutes of the meeting where the report was discussed.

Regent Tyler said he could find nothing in the University of Iowa budget for the student health services deficit.

Director Eisenhower stated that University of Iowa officials last month requested a budget ceiling increase to be applied to the student health services deficit, which came out of the fiscal year 1989 budget.

Vice President Phillips stated that as a result of the Board's action last month to approve the university's budget ceiling increase, \$400,000 was applied to accumulated student health services deficits. She said it was her understanding that a phased-in plan for funding student health services would be for fiscal year 1991; therefore, they may still be facing some deficits in student health services this upcoming year. University officials are assigning non-recurring income to address that deficit.

Mr. Richey stated university officials would probably have to request a budget ceiling increase next year to again address student health services deficits. University officials do support student health services from the operating budgets of the universities.

Vice President Phillips stated that when action was deferred last fall on the student health service fee issue, university officials were asked to try to deal with deficits and to contain costs as best as they could.

Regent Hatch asked if anyone had ever investigated the possibility of not having a separate student health service but having that accommodated by the University of Iowa Hospitals and Clinics. Vice President Phillips said the Regents' study on student health services had reviewed that possibility. Most of the services provided by student health services are routine. The cost to provide those services at University Hospitals would, in fact, be higher. University Hospitals is used for students' tertiary care.

C O R R E C T E D

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Regent Fitzgibbon questioned reviewing course fees every 4 years. Director Eisenhower said it could be done more frequently if the Board preferred.

Vice President Madden stated that at Iowa State University they attempt to print fees in the catalog every two years; therefore, they are reviewing fees more often than every 4 years.

Vice President Vernon said one problem in publishing student fees is that there can be 12 sections of a course and each faculty member determines where extra materials will be required. There has to be different course fees for the same course. He said reviewing fees every 1 to 2 years would be difficult, but every 4 years would be possible.

Regent Fitzgibbon suggested it would build in some fine discipline.

Vice President Conner stated that at the University of Northern Iowa there is a mandatory course fee review every 4 years. Also, any time a department wants to change a fee it must request and obtain prior approval.

Vice President Vernon said the system University of Iowa officials are using is to announce that possibly a course fee will be charged and that it will not exceed \$5 or \$10.

Regent Fitzgibbon said it is important that parents and students know up front that there is a fee. He felt it would be alright to state the fee would not exceed a certain dollar amount.

President Curris stated that fees are inevitable and he felt that university officials are on the right track. He referred to recommended action 5. concerning developing a phased plan to establish self-supporting student health service, and asked if it meant there will be a mandatory student health fee or the Board wants to see a plan.

Regent Hatch asked to defer action for a month to give the newly-appointed Regents an opportunity to review the Regents' report on its study of student health services. President Pomerantz said they could defer for a month.

President Curris asked if the recommended action was tantamount to establishing a student health fee.

University of Iowa student Chris Anderson questioned the nature of the student health fee recommendation. He asked if the recommendation for a phased-in fee meant developing a plan and returning for Board approval. Director Eisenhower said institutional officials will return to the Board.

Mr. Anderson asked for Ms. Eisenhower's interpretation of the time involved in "phasing in" a fee. Director Eisenhower said she would expect three different approaches.

President Pomerantz said it was clear they were not ready to act.

MOTION: Regent Tyler moved to defer action on student fees until the July Board of Regents meeting. Regent Westenfield seconded the motion, and it carried unanimously.

REPORTS ON CAMPUS SECURITY. The Board Office recommended that the Board (1) receive the reports from the institutions; (2) continue the current policy relating to firearms; (3) retain the currently Board-approved name of the Iowa State University security department; (4) direct that a study be done by the Board Office with the assistance of the institutions regarding the feasibility of contracting with local law enforcement agencies for certain services such as investigation of major felonies and regarding the possible elimination of duplication of services provided by local law enforcement agencies and university security departments; (5) direct the universities to develop and file with the Board Office formal agreements regarding their relations with appropriate local and state law enforcement agencies; and (6) request that the universities consider the establishment of campus security and safety committees with representation from various university constituencies, where they do not now exist.

The institutional reports detailed the scope of security and safety functions performed on campus. Campus departments provide education, safety and crime prevention services, investigative, law enforcement, building security, patrol and other service programs.

Iowa State University officials requested Board approval of a campus law enforcement agency called ISU Police, and that the agency be "properly equipped", i.e. carry firearms.

The Iowa State University report and Board Office comments referred to a statement of guidelines entitled "Achieving Reasonable Campus Security" which was developed by the American Council on Education (ACE) and is appended to the Iowa State University report.

The University of Iowa has formal agreements regarding its relations with other law enforcement agencies; Iowa State University has a limited agreement with the County Sheriff's Office; the University of Northern Iowa has proposed an agreement which is currently under review.

Board Office staff met with local law enforcement officials in Ames, Iowa City and Cedar Falls. Local officials believe cooperation between the local police and campus security is good.

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Based on the reports from the universities, the Board Office finds that campus security operations are comprehensive and generally consistent with the ACE guidelines.

The Board Office recommended that a study be undertaken to determine if services duplicated between local law enforcement agencies and campus security can be eliminated.

Mr. Richey stated it was his conclusion from the institutional reports that the campus environments are reasonably safe and secure.

President Pomerantz asked University of Iowa officials if they had any comments.

Vice President Vernon stated University of Iowa officials are quite satisfied with the campus security situation as it now exists.

Regent Fitzgibbon asked about the working relationship between campus security and local law enforcement agencies.

Mr. Finnegan stated that University of Iowa officials have joint law enforcement agreements with both the municipal law enforcement agency and the Johnson County Sheriff. The agreements provide for mutual aid. Another long-standing agreement incorporates the assistance of the State Department of Safety.

Regent Fitzgibbon asked if the various security officials meet often. Mr. Finnegan said they meet periodically.

Regent Fitzgibbon said it was his understanding that a number of campus security problems have increased dramatically. Mr. Finnegan said the statistics from 1987-88 showed a 5 percent decrease in reported crimes on campus.

Regent Fitzgibbon said national figures indicate that 10 percent more crimes are going unreported. Mr. Finnegan said they have no way of knowing although he also had heard those figures.

Regent Berenstein asked if the campus officers were armed if they would still need the cooperation of local law enforcement agencies. Mr. Finnegan said they certainly would.

Regent Tyler asked if response time of local law enforcement agencies was a problem. Mr. Finnegan said that in an emergency response time was no problem. The local agencies were in close proximity.

President Eaton stated that all across the country the incidence of crime has been escalating over the last decade. The general belief is that crime is

under reported. He said that college campuses are not the havens they once were regarded as being. Security has been an issue of discussion at Iowa State University. University officials aim to make the campus a safer place. That effort includes more campus lighting, expanded evening bus service, student escort service and a student security force. The student security force consists of 70 trained students equipped with radios. The campus security department provides educational programs to the student body. President Eaton noted that there has been an increase in the number of incidences in the last 3 to 4 years.

Vice President Madden said the issue of campus security has had some discussion at Iowa State University on an active basis. University officials have been trying to develop a professional security program. Their primary concern is to provide a properly trained security force. In Iowa the college campuses are relatively safer environments than other college campuses around the country. There were 2,700 cases reported last year at Iowa State University. Those included traffic violations. 60 percent of those cases involved persons not part of the campus community. He said one of the concerns nationally is the area of liability. Increasing numbers of cases around the country show institutions are left with the responsibility for campus safety. He felt that Iowa State University should be out front in the effort to properly train and equip security personnel.

Vice President Madden said Iowa State University officials have cooperative agreements with the City of Ames and Story County Sheriff law enforcement agencies. He said the Iowa State University campus is more self-contained within the community than is the case at the University of Iowa campus. Also, the county sheriff is located in another community. University officials have experienced some occasions where the city police department has not been in a position to provide increased responsiveness to the campus. University officials have not been able to develop a more coordinated effort beyond where they are now. He said that in addition to dealing with professional law enforcement agencies university officials also have responsibility to public judicial agencies. In that regard he said they have a good relationship with the Story County Attorney. There is also a very effective student discipline program.

Vice President Madden stated that a number of outside professionals have looked at the Iowa State University law enforcement program. Most of those support the concept of "properly trained and properly equipped". He acknowledged that any changes would have to be made in the appropriate fashion. University officials were not proposing to take any kind of unilateral action. He noted that the policies they follow are the Board's. He said Iowa State University has a high-quality professional law enforcement staff which he felt should be properly trained and properly equipped. He felt there are circumstances where arming is appropriate. He believed that calling it ISU Police was an appropriate name.

Vice President Madden introduced Joseph Wehner who has been the head of the ISU law enforcement department for a little over 2 years.

Mr. Wehner stated that all his law enforcement experience is on the campus environment. He feels there is a need for campus law enforcement. Campus law enforcement staff are specialists -- the campus environment is not appropriate for municipal officers. He is attempting to have a comprehensive law enforcement department. He has the task of trying to come to grips with how his officers function. Currently the system they employ is of unarmed law enforcement officers. He said that issue is not consistent throughout the nation. He suggested the Regents should be aware of the expectations of the 1980s which require dedicated professional law enforcement officers. He noted that Board Office staff interviewed some law enforcement officials in each of the three cities in which Regent universities are located. The question asked was whether they have a problem with the campus security. The Ames Chief of Police stated that the ISU officers are involved in law enforcement. The sheriff said the Iowa State University officers are very much involved in routine law enforcement. Both officials said the university officers should be armed. In 1969 the Iowa General Assembly made campus officers peace officers with the same job expectations as police officers. The Iowa State University campus officers provide the day-to-day law enforcement on the campus. He felt that a false understanding of the duties and responsibilities has been perpetuated by holding onto the term "security". In reality they haven't had a security department -- it's been a law enforcement department. He said security departments do not perform police functions.

In comparing Iowa State University to other colleges with enrollments of over 20,000 students, Mr. Wehner said none of them have security departments for maintaining the peace. Ann Arbor is the only institution that performs that function. The remaining 72 institutions all maintain their own commissioned police and all of them are armed police. He said that throughout the years colleges and universities have recognized the need for adequate law enforcement. For that reason he said campus law enforcement has evolved from night watchmen. They have not been just security guards for some time. Security guards do not make arrests nor do they answer calls on armed hold ups.

Mr. Wehner stated the Ames Police simply cannot perform as a municipal agency and as a campus agency. He said that Ames may be rural Iowa but it suffers from many of the urban problems. Crime is increasing faster on rural campuses than urban campuses. He said every other university in the Big 8 has an armed police force. He cautioned that some persons may try to justify keeping the campus officers unarmed on Iowa State University's low crime rate. He said it is not the number of crimes they have that matters but rather the kind of work they are performing day-to-day. He said a consultant reviewed the program at Iowa State University and concluded that because of the day-to-day activities of the officers they should be armed in certain circumstances. Unarmed officers should be restricted to security officer duties.

Mr. Wehner said it was absolutely true that no university has its own independent police force that never requires assistance of any other agency. He was not proposing to duplicate what is already available. He said students generally respond and relate better to campus police than municipal police. Since he came to the university in April 1987 there has been a series of incidents encountered by officers while performing routine activities. Sixty percent of all the individuals involved in incidents have no connection to the university community. In one case campus officers knew they were encountering an armed person so they requested assistance of Ames Police. Ames Police were busy with an accident and it took them 20 minutes to respond. He said that in a very recent court case a university was found to be responsible for the safety of the students. He stated that the only alternative to properly equipping the campus officers is to contract with another agency.

President Curris said he recognized that different policies are appropriate for different campuses. He considers crime to be a minor problem at the University of Northern Iowa campus. University officials are satisfied with their current situation and made no recommendations for change.

Don McKee, American Federation of State, County and Municipal Employees President, stated that with him were three Iowa State University police officers. He asked that each of the officers make a statement.

Wayne Ball said he has been on the campus department for 16 years. He is sergeant on the 11:30 p.m. to 7:30 a.m. shift. He was concerned about his responsibility to protect life and property without being armed. He said that when an alarm system signals a burglary, tactical questions exist. The perpetrator is likely armed. They could call Ames Police but they might not have any officers available. The Iowa State University officers average 50 to 60 miles patrolling per shift which includes farms off campus. When the campus officers answer family disturbance complaints they usually don't know if weapons are involved. Once they find out it's too late to call Ames Police. He said it was the university's responsibility to provide the officers with the proper equipment to perform their responsibilities.

Lowell Huggins stated he has been at Iowa State University since 1986. He has received law enforcement certification and additional training, and specializes in accident investigation. On occasion campus police are called on by police departments for assistance. Those include assistance in murder investigations, hold ups and drug raids. He and another officer assisted on a drug raid on Iowa State University property and were the first officers through the door.

Officer Bailey said he has been with the university since 1980. He is currently defensive tactics instructor. He was involved in the Veisha riots and was injured. He stated that on May 18, 1989, two of the campus detectives were called to the student counseling office because a husband was expected to

show up with a shotgun. Campus officers went to the location with the understanding that Ames Police would be called. Ames Police did not show up because of traffic accidents and other responsibilities. He said intrusion alarms are a daily occurrence. He recently responded to an intrusion call at the Iowa State University golf course. Ames Police arrived at the scene 10 minutes after he had handcuffed the perpetrator. He said his greatest fear working for the university department is responding to a domestic call at which someone is armed.

Mr. McKee stated the Iowa State University campus is a community and the Board of Regents acts as a city council for that community. He said the general public does not stop at the campus borders. Iowa State University faces the same problems other cities face including an expanded drug problem. They have a responsibility to provide a safe campus. He said numerous Boards of Regents have been sued because students were injured. During the last Veisha university officials hired 17 off-duty police officers and paid them \$5,500 for 278 man hours of patrol activity. He said that made it clear that the decision has been made to allow law enforcement agents to come on to the campus armed. He questioned why the Board of Regents would place armed officers who are not familiar with policies and procedures of the Board of Regents on the campus. He felt the Board would want to establish policies on the use of deadly force on its campuses.

Mr. McKee said each officer must pass the law enforcement academy. They are professionally-trained people. He said people have the right to travel openly and to expect proper police protection. He believed the Board of Regents should be required to provide a police force.

Mr. McKee introduced two legal assistants with AFSCME who addressed liability and the increase in incidences of crime.

Mr. McKee said the campus officers are police officers and they must be equipped. Iowa State University is the only Big 8 school that does not have armed police.

President Eaton introduced Paul Thibodeaux, president of the Iowa State University Government of the Student Body.

Mr. Thibodeaux distributed a proposal that the Government of the Student Body officers had adopted. He referred to the job descriptions of the ISU officers and said that if the job description entails duties similar to Ames Police then it was clear the use of firearms is needed. He didn't believe many students felt their safety will be endangered if firearms are used. If the student's proposal was adopted he said the officers will be trained again.

Regent Williams asked if the Government of the Student Body had voted on the position paper Mr. Thibodeaux distributed. Mr. Thibodeaux said they had not. It will have to be voted on in September.

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President Eaton introduced Professor David Holger of the Iowa State University Faculty Senate.

Professor Holger said he was appalled by what he had just heard. He said he expected this would be a rather brief presentation. He said he witnessed something carefully orchestrated. The security department named itself "police" and were now telling the Regents that because they had assumed these duties the Board should grant them to them. He said the Faculty Senate has studied this issue extensively and recommended unanimously in January 1988 that campus security officers not be armed. He said the existing policy should prevail. The Faculty Senate also recommended further study and that study has not occurred. Professor Holger expressed disappointment at the unbalanced view of the university at this meeting. He felt the security representatives were attempting to equate professionalism and modern with arms. Studies show that arms are not the modern approach. He said the issue of liability is there with or without arms. He was confident the Regents could see beyond the very emotional appeal of the officers. He emphasized that there is not a consensus on the campus. At this meeting they had seen the inverse. He added that the students voted in January against arming the security force.

President Pomerantz stated that if the name on the patches worn by the security officers was not the name the Board approved then they shouldn't wear them.

Regent Furgerson said she was concerned there was a perception that because there is an increasing minority representation on campus they will have a less law-abiding student body. She said she has had so many negative contacts with police that it was very difficult for her to support arming the campus security officers.

President Eaton clarified who was representing the university. He said Mr. McKee and the security officers were not part of the university administration's presentation. He said this was an emotional topic and he would carry out the Board's will.

Regent Berenstein asked for the size of the Ames police force. President Eaton said it was 75.

Regent Berenstein asked for the size of campus security. President Eaton said there were 26 officers.

Regent Berenstein asked for the official name of the security force. President Eaton said it is ISU campus security.

Regent Williams asked when that came to be called ISU Police. Mr. Wehner said he would accept the responsibility for the name change. It was not his

experience that a university police department's name be approved by a board. He said that when he arrived on the Iowa State University campus he was surprised to find the officers performing law enforcement activities. It became apparent to him that there was confusion over the officers being called security guards while performing daily law enforcement functions. Therefore, he said that because the Iowa law makes the campus officers police and because of his ignorance, he changed the name to "police".

Regent Williams stated that in light of the fact that Mr. Wehner felt it was so critical to change the name of the organization in order to change the image, she felt he would have considered that a significant change. She said she resented the fact it came to the Board two years down the line.

Mr. Wehner apologized.

Regent Williams asked if it had occurred to Mr. Wehner to communicate with campus security at the University of Iowa. Mr. Wehner said that at that time he did not communicate with University of Iowa security officials.

Regent Fitzgibbon asked for the name of Mr. Wehner's immediate supervisor. Mr. Wehner said his supervisor is Associate Vice President Whitman.

Regent Greig said he had a soft spot in his heart for campus cops and related a story about when he was a student and involved in a prank. The downtown Minneapolis police were called in but luckily the campus police took over. He is very pleased with the professionalism of the campus police. They are highly motivated and they like students. He was in favor of most of the things Mr. Wehner said. He said he would oppose the recommendation of the Board Office.

Regent Tyler referred to the following item specified in the Board of Regents Procedural Guide concerning Special Security Officers, and asked if it meant the president has the authority to authorize the use of firearms:

Designated special security officers shall be permitted to carry firearms only upon express authority of the president or the president's designated authority in assignments of extreme danger.

Mr. Richey said it was not the sense of that policy to allow the use of firearms. That was only for specific severe instances such as riots, or during the use of fire arms or explosives.

Regent Williams felt that if that wasn't the case they needed to change the wording.

Regent Fitzgibbon questioned the interpretation of "extreme danger".

President Pomerantz said there should be a clarification on the language.

MOTION:

Regent Williams moved to (1) receive the reports from the institutions; (2) continue the current policy relating to firearms; (3) retain the currently Board-approved name of the Iowa State University security department; (4) direct that a study be done by the Board Office with the assistance of the institutions regarding the feasibility of contracting with local law enforcement agencies for certain services such as investigation of major felonies and regarding the possible elimination of duplication of services provided by local law enforcement agencies and university security departments; (5) direct the universities to develop and file with the Board Office formal agreements regarding their relations with appropriate local and state law enforcement agencies; and (6) request that the universities consider the establishment of campus security and safety committees with representation from various university constituencies, where they do not now exist. Regent Furgerson seconded the motion.

Regent Fitzgibbon said he had mixed feelings. He felt the recommendation might be slanted. He felt that Mr. Wehner made a professional presentation. He agreed that today's environment is different from that 5 years ago. They are dealing with different kinds of problems. He acknowledged there may be concerns about what happens if an officer harms a student. On the other hand an armed officer might prevent harm from happening. He asked for the feelings of the administration on this subject.

Regent Hatch said she agreed that campus security are very special and understand students. She resented seeing patches that say "police". She questioned how that got approved by Associate Vice President Whitman and felt it was a joke to ask the Board to approve the change. She didn't think it should be changed and didn't see how any of the situations referred to earlier could have been avoided with firearms. She was very much supportive of the Board Office recommendation.

Regent Berenstein said he had attempted to review the information with an open mind. He couldn't understand why things are that much worse in Ames than Iowa City. He wondered if the security members were doing more than they were being asked to. He also wanted to know the position of the administration. He had a problem with the position paper when it was not of the student body. With regard to Regent Greig's comments he said he appreciated that the

Ahlers law firm, and Luther Anderson from Springsted, Inc., to make presentations.

Mr. Stanberry said he would address how state and federal tax laws impact on the Regents' debt financing. There are six types of bonds the Board can issue. Academic revenue bond is the most commonly issued. Those bonds are authorized by the legislature and the Governor, and backed by student fees. They can be used to finance virtually any facility on the university campuses including academic facilities, equipment for research or teaching facilities, parking ramps, utility or recreation facilities. He said the next most common type of bond is self liquidating, of which there are two types. One type is for financing of dormitories and the other is for other than dormitories. Generally these funds are applied to revenue-producing facilities on campus. The most common uses are to finance utility systems, recreation facilities and parking facilities. He noted that self-liquidating bonds do not require prior legislative approval; however, after the Board approves the issuance of these bonds it must also have executive council approval.

Mr. Stanberry stated that during the last several years a popular way of financing large equipment purchases is through a lease-purchase arrangement. The Board of Regents has entered into a master lease agreement under which each institution has pre-authorized leasing amounts. Periodically institutional officials contact the Board Office and seek approval to utilize this method. He said that another financing method the Board of Regents does not use often is "on behalf of" financing by which a non-profit company borrows the money and constructs the facility, and then leases it back to the Board. This method has only been utilized by the Board of Regents once which was for the Human Biology Research Facility. The Board of Regents is also entitled to utilize Iowa Code chapter 419-authorized funding although it has never been used because it is cumbersome. Other types of bonds identified by Mr. Stanberry include dormitory bonds, self-liquidating dormitory bonds and University Hospital bonds.

Mr. Stanberry addressed tax exemption. He said the people who buy the Regents' bonds don't have to pay interest on the earnings. He noted that federal tax laws have changed dramatically. The Regents' bonds used to be what most thought was a very plain, simple financing method. That changed in 1986 when Congress made wide spread changes in the bond market. The Regents must now ensure that what they construct is used for a governmental purpose. Use by a private enterprise can turn the Regents' bonds into private activity bonds. Mr. Stanberry said what used to be nice about holding the Board of Regents bonds is that a person never has to do anything with them -- they never have to report or pay tax. There are now some reporting requirements but the bonds are still exempt from taxation. Until 1988 the Board of Regents bonds were the only bonds exempt from both federal and state taxes. In 1988 the power to issue double tax exempt bonds was also granted to the Iowa Finance Authority.

Regent Tyler referred to the following paragraph of Mr. Stanberry's handout:

The 1986 and 1988 Tax Acts impose multiple restrictions on the Board which must be complied with during the period its bonds are outstanding in order to preserve the interest exclusion from federal gross income. The violation of or failure to comply with any of these requirements can cause the interest to be taxable retroactively to the date the bonds were issued.

Regent Tyler asked for examples.

Mr. Stanberry said there can be problems if the bonds aren't computed properly. He said arbitrage is borrowing at a low rate and reinvesting at a high rate. He said the arbitrage rebate requirement means that to the extent there are unused bond proceeds you hope to invest at the yield of the bonds. That additional income is factored into the construction cost. Any investment earnings over the bond yield have to be paid.

Mr. Richey asked about borrowing from a local bank. For example, university officials may wish to borrow to finance a \$1 million project. Some of the banks in Des Moines might offer very attractive rates. He questioned which one of the categories Mr. Stanberry described earlier this type of transaction would be categorized as. Mr. Stanberry said it would be self-liquidating financing. He said most of that type of funding "dried up" after 1986 when banks were told they could no longer deduct all their carrying charges.

Regent Hatch asked if the Regents could issue academic revenue bonds for deferred maintenance projects. Mr. Stanberry responded that the type of project those bonds can be issued for is very broad.

Regent Fitzgibbon asked if there would be some effect on the marketability of the bonds if they were issued for deferred maintenance projects. Mr. Stanberry said he was not sure it would have much of a marketing effect.

President Pomerantz asked for clarification of the Iowa Code chapter 419 funding. Mr. Stanberry said a city or county could issue bonds and loan the proceeds to the Regents, or it could build the facility and lease it to the Board of Regents.

President Pomerantz asked what entity would need to approve such an issuance. Mr. Stanberry said it would require city council approval.

President Pomerantz asked if it would also require the prior approval of the State Executive Council. Mr. Stanberry said the transaction would be a lease and not a transfer of property so Executive Council approval would not be necessary.

Regent Hatch said chapter 419 bonds would not have the double tax exempt status since the city is only federally tax exempt.

Mr. Anderson addressed how much bonding the Board of Regents has done. The Board of Regents has issued \$175 million in academic revenue bonds, \$50 million dormitory bonds and \$160 million in other self-liquidating bonds. In annual terms, he said the Board's cost for debt service is \$45 million. He said this debt relates closely to the state itself in terms of academic revenue bonds. The state can't pay or guarantee the debt. The process utilized is "tuition replacement". The legislature appropriates money to replace tuition spent on debt service. He said that 3 to 4 years ago as a result of high interest rates in the early-1980s. Tuition replacement needs jumped dramatically from 1986 to 1990. The Board's staff and advisors recommended refunding certain bonds which reduce interest rates and stretch obligations out a little further. Even though there is not a written promise that the state will appropriate that money every year it has become a much-needed appropriation. He stressed the importance that the state legislature be reminded that is a long-term commitment.

Mr. Anderson stated the double tax exempt status of Regents' bonds is referred to as the "Iowa Advantage". The advantage has been about 83 basis points on each of the bonds sold. He emphasized that the Iowa Advantage needs to be nurtured. Although there is not an infinite market for double exempt bonds, he said the Board of Regents has done an excellent job of monitoring and controlling the bond issuances. They do not release more than \$15 million to \$20 million at any one time, and space sales 2 to 3 months apart. He cautioned that if other state agencies are authorized to issue double tax exempt bonds the advantage will diminish and eventually go away.

Mr. Anderson discussed the process for selling the Regents' bonds. It is done through a public sale process. He said the underwriting community bids on the bonds and they in turn market the bonds to the public. He said the bond advisors feel the public sale method has some real advantages. The last four bond sales the Board has performed have been for the purpose of converting to fixed rates. Those were all done by the modified public sale process.

Mr. Anderson stated the rates the Board of Regents's bonds receive are typically better than rates for AAA-rated bonds. He felt that was both because of the double exempt status and loyalty.

ACTION:

President Pomerantz stated the Board received a report from the Board's bond counsel and financial advisor concerning debt financing alternatives by general consent.

BUDGET REQUESTS FOR FISCAL YEARS 1991 AND 1992. The Board Office recommended the Board receive the report on the 1991 and 1992 Regent budget requests.

The Board's newly-adopted budget process prescribes preliminary budget requests from the institutions and preliminary Board Office recommendations be submitted to the Board in July for final approval in September.

Salary request presentations by employee groups will be made at the July Board meeting in conjunction with the Board's review of preliminary budget requests.

Operating budget priorities will continue to emphasize undergraduate education, minority recruitment, and strengthening operating infrastructure items such as library resources, equipment and computerization.

Capital priorities will include addressing the backlog of deferred maintenance, energy conservation and fire and environmental safety.

Mr. Richey stated the Board would be presented with a budget request first in July with the final decision to be made in September.

Regent Tyler asked if the budget requests were supposed to be submitted September 1. Mr. Richey said staff has worked with the legislative staff to get an October 1 submission date.

Regent Fitzgibbon said that rather than ask for a continuation he would prefer they comply. Mr. Richey said that would take a special Board meeting. He asked if the Board wanted to try to reach resolution on the budget request at the July Board meeting. Regent Fitzgibbon said that next year he would like to see if they can meet the schedule.

ACTION: President Pomerantz stated the Board received the report on the 1991 and 1992 Regent budget requests by general consent.

REVISION OF CAPITAL BUDGET PROCEDURES. The Board Office recommended the Board receive and approve the revised Chapter 9 of the Regents Procedural Guide.

Regent Fitzgibbon asked that a meeting of the priority committee on capital budget procedures, which Regent Tyler chairs, be held in the near future.

ACTION: President Pomerantz stated the Board deferred action on the revision of capital budget procedures.

ADOPTION OF FINAL PRIVATIZATION RULES. The Board Office recommended the Board adopt the administrative rules as proposed.

In April the Board of Regents approved rules relating to competition with private enterprise. Those rules were identical to the rules submitted to the Board for approval this month.

Since the April adoption of the rules, the Board Office and institutions have prepared a regulatory flexibility analysis at the request of the Iowa Chapter of the National Federation of Independent Business describing the impact of the rules on small business. A public hearing on the analysis was held June 7, 1989. No testimony was submitted or presented at the public hearing.

Now that the public hearing has been held, the Board must again adopt the final rules to be filed and published in the Administrative Rules Bulletin. If approved by the Board, the rules will be effective August 16, 1989.

The Administrative Rules Review Committee also met on June 7, 1989, on the proposed rules on private competition. Although some hearing aid dealers were present and expressed their concerns, the committee was supportive of the rules.

The rules include a mechanism for each institution and the Board to address the concerns mentioned at the public hearing. An institutional policy has been prepared for review by the Priority Committee implementing the institutional review process including consultation with local business interests.

The Board Office recommended the institutions annually report to the Board of Regents the results of the internal review process and any appeals during the previous year.

The Board must give final approval to the administrative rules before they can be published in final form and become effective. The rules, once effective, will replace section 7.30 of the Board of Regents Procedural Guide.

Regent Tyler stated that the last meeting he attended on this subject was on April 4. He said he was not notified of a meeting on June 7. If he had he would have tried to have been there.

Director Barak stated the June 7 meeting was called by the administrative rules committee. In fact, there was a quirk in the way the legislative committee made the announcement. Staff didn't know about it until shortly before the meeting.

MOTION:

Regent Tyler moved to adopt the administrative rules, as proposed. Regent Hatch seconded the motion, and it carried unanimously.

AFFILIATED ORGANIZATION REPORTS. (a) University of Iowa. The Board Office recommended the Board receive reports of affiliated organizations at the University of Iowa.

Below are brief summaries of reports from the University of Iowa Facilities Corporation, the University of Iowa Foundation, the Iowa Measurement Research Foundation, the University of Iowa Research Foundation, and the University of Iowa Alumni Association. Complete copies of these reports are on file at the Board Office.

University of Iowa Facilities Corporation. The Facilities Corporation was incorporated in 1967 as a supporting organization of the University of Iowa Foundation to assist in maintaining, developing, increasing, and extending the facilities of the university. The Corporation is governed by a board of directors who are elected by the board of directors of the University of Iowa Foundation.

The financial summary indicates rental income of \$142,469 and operating expenses of \$94,147. Financial income from interest was \$1,422,646 and interest expense was \$1,420,813, with net income for the year \$50,155. Assets (including \$674,936 in property at cost less depreciation) were \$26,029,769 and liabilities were \$25,411,448. Equity was \$618,321.

The University of Iowa Foundation. The Foundation was organized in 1956 to solicit, receive, and administer gifts for the sole benefit of research and education at the University of Iowa. The Foundation is governed by a board of directors.

The 1988 Foundation report notes substantial increases in giving and numbers of givers. More than 37,000 individuals and organizations gave and pledged \$49.9 million in support of University of Iowa programs through the Foundation. This brings giving and commitments to over \$300 million over the Foundation's 33 years. The half-way mark was passed toward the Iowa Endowment 2000 Campaign's \$150 million goal--a 5-year effort launched in May 1987.

The financial report for the year ending June 30, 1988, indicates expenses of \$3,640,734 and general fund revenues of \$586,643. Transfers to the university and to special purpose funds for scholarships and grants totaled \$405,763. The general fund balance at year end was \$9,699,127.

The combined balance sheet for the Foundation indicates total assets of \$125,346,680, an increase of more than \$10 million over the year ending June 30, 1987. Over \$12 million was transferred to the University of Iowa for gifts, grants, scholarships, and fellowships.

Iowa Measurement Research Foundation. The Measurement Research Foundation was organized in 1953 to advance knowledge in the field of educational testing and to support the development of measuring instruments of potential value to school personnel. The Foundation achieves these purposes through research grants to the faculty of the College of Education at the University of Iowa, through support of test development

and research projects of the Iowa Testing Programs, and through support for activities which lead to the dissemination of research findings.

Approximately \$384,111 was expended for university projects and programs in 1987-88. Since 1971, the Foundation has contributed approximately \$3,684,000 to university projects and programs. The financial summary indicates income from investments and royalties of \$507,700 and expenses of \$383,927. The consolidated balance sheet indicates net worth of \$7,948,278. Assets include \$7,899,757 in an investment portfolio managed by Northern Trust Company, Chicago, and \$48,522 in local accounts.

University of Iowa Research Foundation. The Research Foundation was incorporated in 1975 to encourage and assist research and education by furnishing the means by which ideas, discoveries, and inventions may be safeguarded through the patent system. The Foundation is governed by a 15-member board of directors.

In 1987-88, income from inventions and software packages and interest was \$265,728, an increase of \$98,394 over the 1986-87 total. After distribution of royalties to inventors and deduction of expenses, the Foundation realized a net profit of \$22,911, an improvement over last year's deficit of \$11,452.

University of Iowa Alumni Association. The Alumni Association was organized in 1867 and incorporated in 1950 to advance the cause of education and to promote the welfare of the University of Iowa. The Association conducts programs to strengthen the university ties of graduates and students of the University of Iowa and through their organized activities to strengthen the university.

The financial report for the period ending June 30, 1988, indicates revenues of \$1,361,668 and expenses of \$1,102,684, with net revenues of \$258,984. Assets were reported at \$2,914,132 and current liabilities at \$91,272. The Association has a \$1 million pledge payable (beginning in 1991) to the University of Iowa Foundation for the purpose of endowing a faculty chair in the College of Liberal Arts. Association equity on June 30, 1988, was \$1,285,504.

MOTION:

Regent Hatch moved to receive reports of affiliated organizations at the University of Iowa. Regent Williams seconded the motion, and it carried unanimously.

(b) Iowa State University. The Board Office recommended the Board
(1) receive reports of affiliated organizations at Iowa State University and
(2) request approval of reorganization of Iowa State University Foundation and Achievement Foundation.

Below is a brief summary of each report. Complete copies of these reports are on file at the Board Office.

Iowa State University Foundation and the Iowa State University Achievement Foundation. In 1980, the Iowa State University Achievement Foundation was created by merging the Iowa State University Achievement Fund and the Iowa State University Foundation. The Achievement Foundation assumed the functions of both the Iowa State University Foundation and the Achievement Fund, but the ISU Foundation's Board of Governors continued to function as it had in the past by setting goals and providing leadership for the university's major objectives. In 1988, the Iowa State University Foundation was reorganized again by merging the Iowa State University Foundation into the Achievement Foundation. The reorganized structure is called the Iowa State University Foundation. The previous Iowa State University Foundation is now called the Original University Foundation. It was retained for legal purposes but has no resources.

The statement for the combined organizations lists revenues of \$11.8 million, including \$8.6 million in gifts and grants and \$3.2 million in investments. New pledges and bequests brought commitments to \$16.8 million for the fiscal year. Total expenditures of \$9.3 million included \$1.1 million in administrative and operating costs, \$366 thousand on behalf of Iowa State University Research Park, and \$7.9 million to various funds (e.g., loan, scholarship, research, etc.). The combined Foundation balance sheet indicates net worth of \$51 million.

Iowa State University Alumni Association. The Association, established in 1932, promotes the social, moral, and material welfare of Iowa State University and of its faculty, graduates, students, former students and friends. The Association reports current membership of 30,834 including 8,530 life members.

The financial report for the year ending June 30, 1988, lists disbursements of \$887,692 and receipts of \$587,494. Funds were transferred from the endowment fund to meet the \$300,198 shortfall. The Association has reported previously that the endowment fund may be drawn on to a limited extent for current expenses.

Iowa 4-H Foundation. The 4-H Foundation, which was founded in 1949 to support the development of the Iowa 4-H Camping Center at Madrid, serves today as a resource development body to fund 4-H and youth programs for which tax monies are insufficient or ineligible.

Financial information provided for the year ending August 31, 1988, lists income of \$454,827 and expenses of \$466,918 for a net operating loss of \$12,091. The Foundation reported that although insurance and operating costs for the Langwood Center were removed from the budget, contributions and other sources of income did not offset depreciation of the Camping

Center. The Foundation fund balance for the year ending August 31, 1988, was \$836,453.

Iowa State University Press. The Press was incorporated in 1941, succeeding a corporation founded in 1924. Its purpose is to print student publications and publish books of merit in the subject matter fields of Iowa State University, as well as selected books about Iowa and the Midwest. Although separately organized as a nonprofit corporation, the Press is an integral part of the academic community and subscribes to the general operational policies of the university. The Press is responsible for its own financial obligations and in this respect differs sharply from almost all other university presses.

The financial statement for the year ending June 30, 1988, indicates revenue of \$1,346,493 and expenses of \$1,380,941. The fund balance June 30, 1988, was \$1,358,994. The audit report indicates that during the past year the Press has made great progress in reducing the annual deficit but that it will continue to be necessary to increase revenue and monitor expenses closely to operate with net income for the coming fiscal year.

President Pomerantz asked about the Iowa State University Press. Vice President Madden said it is a non-profit corporation that has been performing book publishing at Iowa State University for 30 to 40 years. At one time it was housed on the campus. It has a new manager and is much more successful.

Iowa State University Research Foundation. October 13, 1988, marked the 50th year of service of the Iowa State University Research Foundation, a nonprofit corporation organized to provide a way of obtaining and promoting patents, copyrights and trademarks developed by faculty, staff, and students at the university. The Research Foundation is governed by a six-member board of directors, which includes a representative of the Board of Regents.

Revenues were reported at \$577,047 and expenses at \$699,301, for a net operating loss for the year of \$122,254. The balance sheet indicates a fund balance on June 30, 1988, of \$287,815.

Iowa State University Memorial Union. The Union was incorporated as a nonprofit organization in 1922 and is governed by a 31-member Board of Directors. The university pays rent on any use it makes of the Union, such as the Copy Center and the Bookstore; and the Union pays the university for utilities, except those in public areas.

The Union reported capital fund interest expense of \$72,093 and revenue of \$14,367 for a net loss of \$57,726. A university general fund allocation of \$196,336 resulted in an excess of revenues over expenditures of \$138,610. The capital fund balance for the end of the year was \$4.4 million. Balance sheets for the Memorial Union indicate total assets

as of June 30, 1988, of \$5,857,775. Fund balances as of June 30, 1987, were \$701,303 (operations) and \$4,402,428 (capital).

Iowa State University Agricultural Foundation. The Iowa State University Agricultural Foundation originated in 1938 as a non-profit organization with a grant of nine farms and a \$100,000 contingency fund from Mr. C. R. Musser, who donated the farms to be used for scientific and educational purposes. The farms ranging in size from 120 to 320 acres provided a variety in soil and farming types and were representative of distressed, rented farms. Three more were added by Mr. Musser in 1941.

The Foundation report includes financial data including an income and expense summary for each farm. Total income for the year ending December 31, 1988, was \$326,195; expenses were \$320,514. An increase in inventory of \$1,606 produced an accrued net income of \$7,288. The Foundation balance sheet indicates the net worth of the Foundation at approximately \$3 million.

The Committee for Agricultural Development. The Committee was organized in 1943 to purify, increase, and distribute seed and germplasm of crop varieties developed by researchers from state experiment stations in the North Central Region and USDA to certified seed growers. The organization also maintains supplies of pure seed for Foundation seed production for all varieties on the approved list for Iowa.

The report indicates net operating income for the unrestricted fund of \$68,967 and miscellaneous income of \$22,382. Miscellaneous expenses, loss on sale of land and equipment, and grant expense totaled \$27,758 producing a net income for the year ending July 31, 1988, of \$63,591. The report indicates a net loss in income of \$9,415 for the restricted endowment fund (Haas Farm). The Committee reports net worth of \$1,805,814 for the unrestricted fund and \$209,586 for the restricted endowment fund.

Stanton Memorial Carillon Foundation. The Foundation was incorporated on December 31, 1954, to preserve, improve, and further the advancement of the carillon at Iowa State University. The campanile was built in 1899 to house a chime of 10 bells given to the school by Professor Edgar Stanton in memory of his wife, Margaret, Iowa State University's first dean of women. The State Legislature appropriated funds for the construction of the tower and its clock. Over the years, additional bells have been installed--the 50th bell was installed in 1967.

The treasurer's report for the year ending March 31, 1989, lists disbursements of \$1,042.61 and receipts of \$975 from gifts and record sales. The balance in the treasury at the end of the period was \$84,386.96.

MOTION:

Regent Hatch moved to (1) receive reports of affiliated organizations at Iowa State

University and (2) request approval of reorganization of Iowa State University Foundation and Achievement Foundation. Regent Williams seconded the motion, and it carried unanimously.

(c) University of Northern Iowa. The Board Office recommended the Board receive reports of the University of Northern Iowa Foundation and the University of Northern Iowa Alumni Association.

Below are summaries of reports from the University of Northern Iowa Alumni Association and the University of Northern Iowa Foundation. The complete reports are available from the Board Office.

University of Northern Iowa Alumni Association. The Alumni Association of the University of Northern Iowa was organized in 1879, incorporated in 1972, and became a dues-paying organization in 1977. The Association, which is governed by a 24-member board of directors meeting quarterly, helps to develop programs that serve graduates and strengthen their ties to the university. It is a major vehicle for recognition of the significant achievement and contributions of alumni.

The Association publishes the Northern Iowa Today, a quarterly tabloid sent to all alumni, friends, and parents of currently-enrolled students. Other activities of the Association include organization of alumni charter clubs, servicing of the records of more than 65,000 alumni, and sponsorship of the Student Alumni Council.

General fund revenue from dues, interest/dividends, and miscellaneous was \$69,988; expenditures totaled \$48,595.

The combined balance for restricted and unrestricted funds at the end of the year was \$303,050.

University of Northern Iowa Foundation. The University of Northern Iowa Foundation, formed in 1959, is the official channel through which gifts, both large and small, may be given for the benefit of the University of Northern Iowa. It assists the university by providing support for scholarships and grants, capital projects, and athletic fundraising. The Foundation is governed by a Board of Trustees.

Contributions to the Foundation totaled \$2 million in 1987-88, a 44 percent increase in total gifts over those received in 1985-86. The total number contributing increased from 11,992 to 15,122.

Revenue from interest, dividends, and other non-gift revenue totaled \$492,724 and expenses were \$1,034,570.

The Foundation fund balance at the end of the year was \$7,411,137, an increase of \$1,487,222.

MOTION: Regent Williams moved to receive reports of the University of Northern Iowa Foundation and the University of Northern Iowa Alumni Association. Regent Furgerson seconded the motion, and it carried unanimously.

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

Merit Increase: Barbara Briggie, Secretary III, from step 4 to step 5, annual salary \$22,068.80, effective April 15, 1989.

ACTION: President Pomerantz stated the Board ratified personnel transactions, as presented, as a consent item.

BOARD OFFICE SPACE. The Board Office recommended that the Board authorize a supplemental reimbursement of \$42,900 from the institutions for the preparation and the equipment of Board of Regents space in the Old Historical Building.

The Department of General Services is relocating the office of the Board of Regents from the Lucas Building to the Old Historical Building. The Board authorized \$65,500 reimbursement from the institutions to contribute to the cost of renovation and equipment of the space. The estimates of the cost have been refined by the Department of General Services and by the project architect, Mr. Dean Morton of Iowa State University, and interior designer, Mr. George Pavelonis of the University of Northern Iowa. The total estimated cost of the project is \$176,500. The Department of General Services is contributing \$60,000 to the cost of renovation and paying all moving expenses now estimated at \$8,100. The Board of Regents must pay the remainder.

Board members were contacted individually about three weeks ago to inform them of the revised project estimates. At that time it was anticipated that another \$35,000 would be required. With the provision of tables and chairs for the various meeting areas and offices, that figure has now been revised to \$42,900 in additional funds. The additional chairs were made necessary because practically all of the chairs now in the various offices will be shifted to the conference room.

The Board Office is scheduled to move on June 28-30.

Mr. Richey said staff had received truly superb cooperation and assistance from Dean Morton, Iowa State University, and George Pavelonis, University of Northern Iowa. He said they have worked very hard.

Regent Berenstein asked if the move has been accomplished in the spirit of the legislation. Mr. Richey responded that it has been done in the spirit of the legislation. He added that he had sent a letter to Representative Hatch and Senator Varn.

MOTION:

Regent Furgerson moved to authorize a supplemental reimbursement of \$42,900 from the institutions for the preparation and the equipment of Board of Regents space in the Old Historical Building. Regent Tyler seconded the motion, and it carried unanimously.

BOARD OFFICE BUDGET. The Board Office recommended the Board authorize supplemental reimbursement of \$15,500 by institutions to the Board Office budget for fiscal year 1989 to pay higher-than-estimated costs of office supplies, telephone, state audit costs, and in-state travel expenses.

Projected expenditures for operation of the Board of Regents Office for fiscal year 1989 are \$1,059,976. This figure is \$15,500 over the currently-authorized budget approved by the Board at its May meeting. The revisions and projected expenditures occur in the area of travel, office supplies and communications, and outside services. The latter category includes \$5,300 to reimburse the State Auditors for their recently-completed audit of fiscal year 1988 records.

Travel expenses for both the Board members and the Board Office staff are exceeding the budget for in-state travel. Out-of-state travel for the current year is \$2,000 less than the previous year. Board members did not make a single out-of-state trip at public expense this fiscal year. A total of \$18,000 of the reported expense for travel for the Board Office was for employee interviews and for moving expenses of new employees.

The Board previously approved a supplemental budget increase of \$7,500 for the Board Office at its May meeting. This increase was necessitated in large part by the payout (\$6,500) for accumulated vacation for an employee who resigned.

The expenditures for office equipment were made largely for the new position of Director of Planning plus the appropriate equipping of personnel in the Business and Finance Unit. These expenditures were made in reliance on projections made at the end of the third quarter of the fiscal year. Those projections did not take into consideration the cost of the State Auditor, the cost of the employee payout, and several other factors. Actions have been taken to improve the accuracy of the projections.

As pointed out in the May meeting, the approved budget for the Board in fiscal 1990 contains several potentially serious problems. It does not contain funds

to pay for State Auditor expenses. It assumes no price inflation and no expenditures for office equipment. Board travel expenses are severely reduced.

The Board's budget situation is further complicated as a result of the legal advice of the Attorney General's Office relative to the furnishing of meals and travel to Board members from university budgets. These expenses must be reported either as a gift or charged to Board members. Board members in practically every case will be entitled to reimbursement from the Board Office budget for the cost of these meals and travel. Some Board members have customarily driven to the university campuses and have ridden in what otherwise would have been vacant seats in university-owned or chartered aircraft to Board meetings. Under the Attorney General's advice, this expense must be reported as a gift or borne from the Regents budget. No provision for such expenditures has been made. As a consequence, the Board will need this fall to consider a request for a supplemental appropriation for its operating budget for unanticipated costs for fiscal year 1990 during the next session of the General Assembly.

The guidelines set forth below are suggested for Board members and the institutions in the handling of the billings for food and travel expense for Board members.

When an institution of the State Board of Regents or an affiliated organization of that institution provides a member of the Board Office with food, beverages, travel or lodging during one day which exceeds fifteen dollars, the institution shall submit the total bill for the food, beverage, travel or lodging to that member or employee for that person's direct payment to the institution.

If it appears likely that during the course of a day, the value of the food, beverage, travel or lodging will exceed fifteen dollars, the institution shall attempt to inform the member or employee of this possibility.

It was recommended that the Board approve the supplemental budget for fiscal year 1989 with the institutions to be billed in the same proportion that they support the original budget:

University of Iowa	\$ 5890
Iowa State University	\$ 5890
University of Northern Iowa	\$ 2945
Iowa School for the Deaf	\$ 465
Iowa Braille and Sight Saving School	\$ 310
	<u>\$15,500</u>

MOTION: Regent Tyler moved to authorize supplemental reimbursement of \$15,500 by institutions to the Board Office budget for fiscal year 1989 to pay higher-than-estimated costs of office supplies, telephone, state audit costs, and in-state travel expenses. Regent Hatch seconded the motion.

Regent Fitzgibbon asked how staff arrived at the \$15,500 figure. Mr. Richey referred to the docket exhibit. President Pomerantz noted that includes \$5,300 to the State Auditor.

Mr. Richey said the actual amount owed the State Auditor is \$13,000. Department of Management officials are helping Board Office staff eliminate the rest of the audit cost.

Regent Fitzgibbon referred to the preliminary Board Office budget for fiscal year 1990 and said staff was way off in the budget. He said he would like to know why. Mr. Richey said it was due to a change in transportation.

Regent Fitzgibbon said he looked at the Board Office expense of \$29,000 and noted they are spending \$50,000. He said those are major changes in budget figures and he didn't think the Board would tolerate that from the universities. He said budgeting is one of the key charges of the Board. He asked to see a year-to-date figure so he could see where they are. Those were substantial differences. He felt they should anticipate some of the overages in expenditures. He questioned what they are going to do about the travel of the Board and whether or not they can cut back. He said they have to do a better job of budgeting.

Mr. Richey said they have been able to reallocate some money because of a position vacancy although they incurred some moving expenses.

Regent Fitzgibbon asked when Mr. Richey anticipated filling the position vacancy. Mr. Richey said he did not know when that position would be filled. He has recruited for it all year and simply could not find a qualified individual.

Regent Hatch said there are always unanticipated expenses that arise. When that happens the money is moved to different line items.

Regent Williams said there have been more meetings this year than normal. There have been many short notice-kinds of meetings. She questioned whether they could anticipate the same kinds of things next year in order to change the budget estimate now.

Mr. Richey said travel expense was a major concern. He said this budget relates to the unfunded Board expense items which results from a change in the gift law. He felt that explicit was a change in mode of transportation.

Regent Fitzgibbon said the travel expenses in the fiscal year 1990 budget had not increased much from the fiscal year 1989 budget. Mr. Richey suggested the Board could request a supplemental appropriation.

President Pomerantz stated the fundamental problems were 1) budgeting accurately and making an estimate of expenses and 2) how to fund the budget. He said that deals with appropriations.

Regent Fitzgibbon referred to the figure staff started out with for the move and that he had said remodeling has got to cost more than the estimate, and it did. He said staff has got to get better at making estimates. He suggested they may need to look at the budgeting process and who puts the budget together. He acknowledged that it is tough to budget but said this was a poor job.

Mr. Richey said he was going to need to do more consultation with the Board with respect to mode of operation.

Regent Fitzgibbon said it takes input from all Board members. He suggested they could schedule one meeting in conjunction with another. Mr. Richey said Regent Fitzgibbon had given him the opening to make it better.

Regent Fitzgibbon suggested staff call Board members if they could be of help.

VOTE ON THE MOTION: The motion carried unanimously.

APPOINTMENTS. (a) Priority Committees. The Board Office recommended the Board approve Regent assignments to priority issues, as follows:

Berenstein	Hospital governance Employee health insurance Intercollegiate athletics Executive management and financial performance
Fitzgibbon	University relations Executive management and financial performance Long-range planning process Hospital governance Employee health insurance Continuing education Capital development and oversight procedures Student financial aid Intercollegiate athletics

Furgerson Organizational audit
University relations
Undergraduate education/teaching assistant's plan/academic
advising
Admission of students and articulation with high schools
and other post-secondary institutions
Minority recruitment and retention
Student health service financing
Student financial aid

Greig Interinstitutional cooperation and teamwork
Improved relations with agencies (ISD/IBSSS) (Lead)
Long-range planning process
Undergraduate education
Admission of students
Continuing education
Student financial aid

Hatch Improved relations with agencies/parents (ISD/IBSSS)
Executive management and financial performance
Admission of students and articulation with high schools
and other post-secondary institutions
Employee health insurance
Intercollegiate athletics
Capital development and oversight procedures

Pomerantz Organizational audit (Lead)
Interinstitutional cooperation and teamwork
University relations (Lead)
Executive management and financial performance
Long-range planning process
Program review and approval (Lead)
Admission of students
Hospital governance
Intercollegiate athletics
Insurance coverage and other risk management issues (Ex.
Off.)
Employee health insurance
Student health service financing
Capital development and oversight procedures

The Banking Committee members heard a report from Warburg Pincus regarding endowment funds. Regent Fitzgibbon felt it had been a very worthwhile review. He said the committee reviewed the Iowa State University investment procedures which he noted was presented in a well-documented manner.

Regent Fitzgibbon stated the Banking Committee also approved Piper Jaffray and Hopwood as an additional brokerage firm for transacting institutional business as recommended by the university treasurers and the Board Office.

MOTION: Regent Fitzgibbon moved to approved Piper Jaffray and Hopwood as an additional brokerage firm. Regent Greig seconded the motion, and it carried unanimously.

Regent Fitzgibbon stated the committee members also approved the preliminary resolution for the July Iowa State University bond sale.

MOTION: Regent Fitzgibbon moved to adopt "A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$10,000,000 Academic Building Revenue Bonds, Series I.S.U. 1989". Regent Tyler seconded the motion, and it carried unanimously.

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

July 25-26	University of Iowa	Iowa City
August 28	University of Northern Iowa	Cedar Falls
September 20-21	University of Northern Iowa	Cedar Falls
October 18-19	University of Iowa	Iowa City
November 15-16	Iowa State University	Ames
December 13-14	Hotel Fort Des Moines	Des Moines
January 17-18, 1990	Iowa State University	Ames
February 21-22	(To Be Designated)	Des Moines
March 21-22	University of Northern Iowa	Cedar Falls
April 18-19	University of Iowa	Iowa City
May 16-17	Iowa State University	Ames
June 19-20	(To Be Designated)	Des Moines
July 18-19	(To Be Designated)	Okoboji

Regent Berenstein stated that since as of last month there was not a meeting scheduled for August, he made plans for the last week in August. President Pomerantz suggested the Board be polled to see if it prefers to not hold a meeting in August.

GENERAL
June 21-22, 1989

Regent Fitzgibbon said there appeared to be a consensus that preferred no meeting in August. President Pomerantz said staff would get back to the Board members.

Vice President Vernon asked if there is a meeting in August would the subject matter be solely on the University of Northern Iowa organizational audit reports. President Pomerantz said that was correct.

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

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

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, June 21, 1989.

REGISTER OF PERSONNEL CHANGES. The Board Office recommended the Board approve the university's Register of Personnel Changes.

ACTION: President Pomerantz stated the Board approved the university's Register of Personnel Changes as a consent item.

APPOINTMENTS AND RESIGNATIONS. The university requested that the Board approve the appointments and reappointments as outlined below.

In accordance with the Procedural Guide Section 4.05A, secretaries, affirmative action officers and treasurers shall be nominated annually by the executive heads of the institutions. The following nominations were made for the coming year:

Reappointment of JUNE CARGILE as Director of the Office of Affirmative Action for the 1989-90 fiscal year;

Reappointment of DOUGLAS TRUE as Treasurer of the University of Iowa for the 1989-90 fiscal year; and

Reappointment of DOUGLAS YOUNG as Secretary for the University of Iowa for the 1989-90 fiscal year.

Other university appointments and reappointments, all effective August 23, 1989, are as follows:

Directors

Reappointment of CATHERINE ALTER for an additional two years as director of the School of Social Work;

Appointment of GEORGE NICKELSBURG as director of the School of Religion for a four-year term; and

Appointment of THOMAS ROHLICH as director of the Center for Asian and Pacific Studies (CAPS) for a three-year term;

Department Chairs:

Appointment of MARTHA CHAMALLAS as chair of the Women's Studies Program in the College of Liberal Arts for a three-year term;

Appointment of RICHARD DYKSTRA for a three-year term as chair of the Department of Statistics and Actuarial Science in the College of Liberal Arts;

Appointment of ROSLYN FRANK as chair of the Department of Spanish and Portuguese for a three-year term;

Reappointment of JOHN FOLKINS as chair of the Department of Speech Pathology and Audiology in the college of Liberal Arts for a three-year term;

Appointment of JAMES HINRICHS as chair of the Department of Psychology in the College of Liberal Arts for a three-year term;

Reappointment of FRANCOISE MARTINET as chair of the Department of Dance, Division of Physical Education, in the College of Liberal Arts for a one-year term;

Appointment of DENNIS MOORE as chair of the Department of Rhetoric in the College of Liberal Arts for a three-year term;

Appointment of JOHN NOTHNAGLE as chair of the Department of French and Italian in the College of Liberal Arts for a three-year term; and

Appointment of WEI-YEH WANG as chair of the Department of Botany for a three-year term.

The Board was also asked to accept the resignation of KENNETH MOLL as Associate Vice President for Academic Affairs, effective June 30, 1989. Professor Moll is returning to the faculty of the Department of Speech Pathology and Audiology in the College of Liberal Arts after 13 years service in Academic Affairs.

Vice President Vernon presented the following supplemental appointments and resignation:

RESIGNATION of DUANE C. SPRIESTERSBACH as Vice President for Educational Development and Research, and Dean of the Graduate College, effective June 30, 1989, upon his retirement after 24 years in the position. Vice President Spriestersbach will be designated Dean and Vice President Emeritus.

APPOINTMENT of LEODIS DAVIS as Acting Dean of the Graduate College, effective July 1, 1989, at the fiscal year salary of \$120,850.

APPOINTMENT of GARY C. FETHKE as Acting Dean of the College of Business Administration, at the academic year salary of \$83,900, effective August 23, 1989.

APPOINTMENT of REX MONTGOMERY as Acting Vice President for Research, at a fiscal year salary of \$135,000, effective July 1, 1989.

APPOINTMENT of PETER E. NATHAN as Vice President for Academic Affairs and Dean of the Faculties, and University of Iowa Foundation Distinguished Professor, at a fiscal year salary of \$130,000.

David H. Vernon has been Acting Vice President for Academic Affairs since August of 1988 and will continue in that position until Dr. Nathan assumes the office in late-December of 1989. Dr. Nathan's affiliation with the Department of Psychology in the College of Liberal Arts will be at the rank of professor with tenure.

MOTION: Regent Berenstein moved to approve appointments and resignations, and supplemental appointments and resignations, as presented. Regent Williams seconded the motion, and it carried unanimously.

PROFESSIONAL AND SCIENTIFIC CLASSIFICATION SYSTEM. The Board Office recommended that the Board approve the proposed changes in the university's professional and scientific classification plan effective July 1, 1989.

The recommended changes include an increase of one grade for nine classes: three classes would increase two grades; three classes would be assigned to lower pay grades; and two new classes and one deletion were proposed. The pay grade assignments are the results of changes in duties and responsibilities as reflected in point count evaluations of the classes. Funds are available from existing resources to implement the proposed changes.

MOTION: Regent Hatch moved to approve the proposed changes in the university's professional and scientific classification plan effective July 1, 1989. Regent Fitzgibbon seconded the motion, and it carried unanimously.

President Pomerantz asked who had devised the university's point count system. Associate Vice President Small said it was developed by the Hays Hill company.

Regent Williams asked for the definition of a limnologist. Associate Vice President Small said a limnologist does water quality testing in streams and lakes.

SPECIAL REPORT AND PROPOSED COURSE CHANGES. The Board Office recommended the Board receive the special report on course changes at the University of Iowa and refer the proposed course changes to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Last year when University of Iowa officials submitted its course changes the Board requested that the university report back to the Board on the large increase in courses over the period of years from 1981-1987. A special report indicates that the increase in courses can be attributed largely to five factors (i.e., cross listed courses, new general education requirements, an increase in the number of cooperative education programs, international exchange programs, and the creation of new departments).

University officials indicated the net number of new courses is consistent with practices at peer institutions.

University officials presented its course changes for the current year which show a net decrease in courses.

Regent Tyler complimented university officials for the net reduction of 94 courses.

ACTION: President Pomerantz stated the Board, by general consent, received the special report on course changes at the University of Iowa and referred the proposed course changes to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

POST-AUDIT REPORT ON B.S. DEGREE PROGRAM IN EXERCISE SCIENCE. The Board Office recommended the Board refer this matter to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

University of Iowa officials submitted its required post-audit report on the B. S. degree program in Exercise Science.

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

FACULTY SENATE CONSTITUTION AMENDMENT. The Board Office recommended the Board take this proposed change under advisement for consideration of the Board in July.

University of Iowa Faculty Senate officials recommended an amendment that is proposed to bring the wording of the constitution in line with actual practice in presidential and other central administration searches. The amendment removes the words "by invitation" from the present wording and then elaborates the role of the Board in determining those who would be involved in presidential searches.

The amendment was supported by President Rawlings.

The amendment would allow for faculty other than the faculty who serve on a standing committee for selection of university administrators to participate in presidential searches, a practice of the Board in the last presidential search.

Vice President Vernon stated the Board Office recommendation differed with the university's request. He said he could accept the Board Office recommendation but preferred the changes be adopted. He felt the question was whether the proposed changes changed the existing system. He said the new language means the same.

President Pomerantz suggested that if it meant the same then they could leave the wording of the document the way it is. He said the Board certainly will consult the faculty.

ACTION: President Pomerantz stated the Board took this proposed change under advisement for consideration of the Board in July, by general consent.

DEVELOPMENTAL LEAVE REQUEST FOR 1989-90. The Board Office recommended the Board approve an additional developmental assignment for the University of Iowa for 1989-90.

In January and February the Board approved requests from the University of Iowa for developmental assignments for 135 faculty members and 1 faculty member respectively. This month university officials requested an additional faculty developmental assignment for which there will be no replacement costs required.

MOTION: Regent Hatch moved to approve an additional developmental assignment for the University of Iowa for 1989-90. Regent Furgerson 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.

PERMISSION TO PROCEED WITH PROJECT PLANNING

University Hospitals and Clinics--Clinical Cancer Center

Presently, there is no hospital in Iowa providing a truly comprehensive and multi-disciplinary center for the tertiary-level care of cancer patients. The lack of such a center in Iowa represents a void that the University of Iowa Hospitals and Clinics proposed to alter with the creation of its Clinical Cancer Center.

As now envisioned, the center will occupy space on the third and fourth levels of the Psychiatric Pavilion. The center will consolidate several of the Hospitals' present cancer patient inpatient units, ambulatory clinics, diagnostic and therapeutic procedure facilities, and educational and clinical research supporting units now located throughout the hospital complex. The center will also provide office space for some faculty and staff who will be intimately associated with the efficient operation of this multi-disciplinary program.

The present clinical cancer services at the University Hospitals and Clinics are located throughout the hospital complex. This geographic separation of the facilities, technology, staff, and patients not only leads to inconvenience and inefficiency but serves as an impediment to providing a multi-disciplinary approach to diagnosis and treatment of patients afflicted with cancer. This multi-disciplinary approach has been shown to be of critical importance in achieving successful cancer outcomes. There are no other alternatives available that will adequately and effectively meet the goal of providing the highest level of cancer care achievable through a comprehensive, multi-disciplinary program.

To expedite construction and obtain the most attractive bids possible, the project will be bid in two phases as follows:

Phase A Third and fourth floor shell added to present three-level Psychiatric Pavilion (1989-1991)

Phase B Finishing of third and fourth floor shell space (1990-1992)

It is estimated that the construction cost for the shell will be approximately \$5.4 million, with the finishing phase currently projected at \$11.8 million. These cost figures will be further developed and refined as project planning proceeds.

The project will be funded through University Hospitals Building Usage Funds acquired from depreciation payments made by third parties underwriting the

cost of care for paying patients. No state capital appropriated dollars or bonding will be involved.

Approval of this request by the Board will result in the resumption of programming activities for the project and the start of the architect selection process. The selection process will be conducted according to Board procedures. The Board will be notified of interview dates and members of the Board will be welcome to participate in the selection process. The University of Iowa Hospitals and Clinics will present for Board approval a recommendation concerning the architect selection.

Mr. Colloton said he was grateful to the Board for allotting some time for discussion of the planned development of a Clinical Cancer Center at the University of Iowa Hospitals and Clinics. With him to make the presentation were Mrs. Sally Mathis, Director of Nursing and Associate Director of University Hospitals, and Dr. Richard Williams, Professor and Head of the Department of Urology.

Mr. Colloton stated that cancer continues to be a formidable illness. Taking more than 100 different forms, it is a complex disease that strikes millions of Americans. Currently, cancer is the #2 cause of death in the United States. This year nearly a half million Americans will die from cancer. In our own state, approximately 12,700 Iowans will be diagnosed with cancer during 1989. At the University Hospitals and Clinics, on a typical day, they are serving some 272 patients with cancer. These patients are referred from every county in Iowa, as well as many from western Illinois and 22 other states. Since 1938 the UIHC Tumor Registry has compiled information on 101,000 patients with cancer served at the hospital, this data serving as an invaluable resource in enhancing clinical research and, in turn, patient care.

Although substantial progress has been made, Mr. Colloton such much remains to be done. The role of the UIHC in this national initiative falls into three areas: 1) to care for patients with cancer who are referred by the community physicians and 2) educate the whole range of health professionals, cancer patients and the public at large by providing information regarding the prevention, diagnosis and treatment of cancer. University Hospitals officials meet these obligations through the efforts of 50 staff physicians and 1,200 nurses deployed on 27 different inpatient nursing, clinical and support units serving cancer patients. He said that while these patients currently are receiving high quality care, the multi-disciplinary approach to the management of their disease can be much more effectively accommodated by focusing the involved specialists, professional staff and medical technology in a common setting. He said Iowa has a need for one truly comprehensive multi-disciplinary center for the tertiary level care of cancer patients. This is a role that the UIHC is uniquely qualified to fill.

Mr. Colloton stressed that while they will be building in-patient beds in the new Center, these will not be additional beds at the UIHC. As they complete

the Center they will be in a position to eliminate a significant portion of the 73 non-conforming beds.

Mr. Colloton summarized the project time table. Assuming permission to proceed with project planning at this meeting, officials will proceed through the architect selection process. On July 25 they will request approval of the program statement. In September they will bring the preliminary budget for Board approval. In November the shell portion of the project will be issued for project bidding. They anticipate receiving bids in December and awarding the contracts this calendar year. During the following 10 months they will complete the interior design of the building. Officials anticipate a February 1992 completion.

Mr. Colloton said he appointed a multi-disciplinary staff committee three months ago to address a series of conceptual questions relating to the Clinical Cancer Center. That committee has been meeting on regular basis since that time.

Dr. Williams said there is little doubt that care of the patient with cancer requires the proper environment and highly-trained and skilled specialists from many disciplines including gynecology, surgeons, nursing and pharmacy. The Clinical Cancer Center will involve a system of shared management. There will be 14 areas of expertise and various multi-specialty areas. Dr. Williams said the mission of the Center is to provide a full spectrum to the patient. It will encourage interdisciplinary clinical research and educate patients and health care professional. The goals of the Center include: 1) to provide physicians and patients access to the facility in a setting that maintains patient dignity and emphasizes individualized patient care, 2) to develop a Clinical Cancer Center that will greatly consolidate cancer-related services, 3) to provide an educational environment, 4) to provide patients access to innovative and leading edge technology and 5) to provide advanced-level cancer support services.

Dr. Williams stated the Clinical Cancer Center will consolidate care of many cancer patients. It will provide for the administration of various infusion therapies. He said the consolidation of these services will greatly enhance patient accessibility. The best care possible is obtained when these specialists meet. Other important benefits are that their residents and young faculty members are exposed to multiple methods for treating cancer patients. Hospital officials hope to help patients participate in their own treatment. Dr. Williams provided an example of a cancer patient who is seen by three physicians together who are the medical team for this individual.

Dr. Williams shared his excitement for the benefits of the Clinical Cancer Center and how Iowans will realize improved health care. The Center will also serve as a major resource for recruiting and for acquiring cancer research funds. Hospital officials ultimately hope it will result in higher cure rates.

Mrs. Mathis said the nursing staff is very excited about the possibility of bringing together the staff and facilities for serving cancer patients. She said nursing of cancer patients can be very demanding. Patients need emotional support and have changing physical needs. At present, cancer services are scattered throughout the hospital. There are nurses who will choose to work with oncology patients. A cancer center will make it easier to recruit nurses. Physicians depend on nurses for compassionate care and the latest technology and protocol. Nursing staff must provide ongoing orientation and continuing education. Services to cancer patients now must be duplicated over and over. Mrs. Mathis provided two examples of how nursing cancer patients will be improved in the new center and with one multi-disciplinary team.

Regent Williams stated that one of the concerns she hears from patients, especially cancer patients, is that they are shuffled from one department to another. She asked if the Clinical Cancer Center will eliminate that kind of shuffling, such as was done with the creation of the Digestive Disease Center. Mr. Colloton said that was exactly the concept. He felt the centralized location was particularly important for cancer patients as many are very debilitated. The current system is a very ineffective way to use the expert staff.

Regent Williams commended University Hospitals officials on this concept as they look at future care delivery that focuses on patient needs as primary. She said it was also appealing that the team approach means the patient would be followed through with the same doctors. Mr. Colloton said there is a very great emphasis on continuity of care.

Regent Furgerson asked if this project will involve the replacement of the old Intensive Care Unit. Mr. Colloton said the project does not involve the Intensive Care Unit, although he wished it did. He said the Intensive Care Unit is located in an old remodeled ward of the old general hospital building. The facility is totally obsolete. He acknowledged that they need to get on with the replacement of that unit. He said that if they determine they are able to add a floor to the building for the eventual replacement of the Intensive Care Unit, he hoped it would have the Board's support. He said it would be a very cost effective way to do that. Hospital officials will pursue that in the planning stage as an add alternate.

Regent Williams asked if because they are going to have a team approach will there be a need to hire additional nursing staff to accommodate this particular unit. Mrs. Mathis said they are working on that question now. They hope to consolidate services that they are now duplicating.

President Pomerantz asked what the foundation of this building will support. Mr. Colloton said the foundation would be the same as the other two pavilions.

President Pomerantz asked if hospital officials proposed to maximize that now. Mr. Colloton said that was not planned for now.

President Pomerantz said he assumed the University Hospitals' long-range plans included replacement of the Intensive Care Unit. Mr. Colloton said there are plans for it but no money yet. He said ophthalmology and otolaryngology are also still in the old hospital building.

Regent Tyler said it seemed most logical to build the entire outside shell at the same time. Mr. Colloton noted that the University of Michigan built its original teaching hospital in 1926. University officials received \$319 million from their General Assembly and were able to build a \$600 million teaching hospital all at once. In this situation he said University of Iowa Hospitals and Clinics officials have done projects totalling \$268 million without any state appropriations.

President Pomerantz said there was a suggestion to put the entire skin up. He asked if it would be possible, because of a possible substantial cost savings, to find enough funds to put the rest of the skin up. Mr. Colloton agreed to explore that in considerable depth and said he would report back to the Board.

Regent Fitzgibbon cautioned that if they are to build shells and not occupy the space they would bring upon themselves some other problems.

President Pomerantz asked that University Hospitals officials at least look at the possibility. Mr. Colloton said they would review the feasibility and report back in July.

MOTION:

Regent Berenstein moved to grant permission to proceed with project planning on the University Hospitals and Clinics--Clinical Cancer Center. Regent Furgerson seconded the motion, and it carried unanimously.

Mr. Colloton thanked the Board of Regents members for their support.

PROJECT DESCRIPTIONS AND BUDGETS

University officials submitted one new project for approval by the Board.

University Hospitals and Clinics--Relocation of General
Supporting Service Departments
Source of Funds: University Hospitals Building Usage Funds

\$442,770

Preliminary Budget

Construction	\$364,420
Contingency	36,440
Architectural and Engineering Support	23,690
Planning and Supervision	<u>18,220</u>
TOTAL	\$442,770

This project consists of finishing approximately 5,000 gross square feet of shelled-in space located on the first floor of the Colloton Pavilion. The project will provide critically-needed additional office space for the Departments of Hospital Information Services and Graphics, Hospital Facility Planning, and the House Staff Affairs offices. Also included will be the construction of two public restrooms and a photocopy room. This project is the first phase of an eventual integrated general administrative office suite.

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University officials presented an amended budget on the following project.

University Hospitals and Clinics--4 Tower Maternity Modernization--Phase II

Source of Funds: University Hospitals Repairs,
Replacement and Alteration Funds Budget \$327,397

Project Budget

	Original Budget <u>June 1988</u>
Construction	\$283,750
Architectural and Engineering Services	3,922
Contingency	28,375
Planning and Supervision	<u>11,350</u>
TOTAL	\$327,397

This budget was amended to show a change in the source of funds. The project description and budget were approved in June 1988 with the source of funds being University Hospitals Building Usage Funds. The source of funds was now being changed to University Hospitals Repairs, Replacement and Alteration Funds.

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University officials presented seven new projects with budgets of less than \$200,000 that will be initiated in the coming months. The titles, source of

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

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ARCHITECT/ENGINEER AGREEMENTS

Amendments to two project contracts and four new project contracts were approved as part of the capital register.

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

Main Power Plant Boiler Replacement Program--Phase I--
Boiler No. 11, Contract 5--General Construction
M. A. Mortenson Company, Minneapolis, Minnesota

Oakdale Campus--Agricultural Medicine Research Facility--
Research Laboratory Renovation--Mechanical Contract
Universal Climate Control, Inc., Coralville, Iowa

North Campus Parking and Chilled Water Facility--Soil Retention Package
Blackhawk Foundation Company, Inc., Geneseo, Illinois

Finkbine Commuter Parking Lot Construction
Metro Pavers, Inc., Iowa City, Iowa

University Hospitals and Clinics--Carver Pavilion Secondary Power Enhancement
Merit Electric, Iowa City, Iowa

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

LEASES OF PROPERTY AND TENANT PROPERTY RATES. The Board Office recommended the Board approve leases, as follows:

with MARYCREST COLLEGE, Davenport, for the university's use of approximately 720 square feet of space in West Hall including a shared seminar room and classrooms as needed, for a term of one year commencing July 1, 1989, and ending June 30, 1990, at an annual rent of \$4,800 (tenant, renewal); and

with various tenants in university-owned apartments, rooms, duplexes, and houses as shown on the attached schedule for 101 units, ranging in rent from \$85 per month to \$650 per month for a term established by the university not exceeding one year and not beyond the date of June 30, 1990.

Director Wright stated University of Iowa officials wished to bring one additional item for Board approval. He said Vice President Phillips' staff had been working with the Board Office on this project. The documents the Board Office reviewed were in order.

Vice President Vernon presented the following request:

Authorize the Executive Director to sign an amendment to the collaboration agreement with the Howard Hughes Medical Institute, approved by the Board at the May 1989 meeting, containing provisions for the subleasing of additional space in the Human Biology Research Facility, after certain procedural matters are finalized.

MOTION:

Regent Tyler moved to authorize the Executive Director to sign an amendment to the collaboration agreement with the Howard Hughes Medical Institute, as requested, and to approve the leases. Regent Fitzgibbon seconded the motion, and it carried unanimously.

Regent Greig said he thought it was fantastic that the collaboration agreement was being accomplished. He felt they were glossing over a very big step forward.

CABLE VIDEO RATES. The Board Office recommended that the Board approve rates for subscription to Campus Video System entertainment for 1989-90 as requested by the university.

Campus Video System was approved as a cablevision provider on campus in December 1986 and the Board annually approves subscription rates for the service.

University officials requested an increase in the academic year rate for basic service of 6 percent for the 1989-90 academic year.

Regent Fitzgibbon asked for the actual cost. Vice President Phillips said the basic rate is \$13.25/month.

MOTION:

Regent Williams moved to approve rates for subscription to Campus Video System entertainment for 1989-90 as requested by the university. Regent Hatch seconded the motion, and it carried unanimously.

STUDENT ACTIVITY FEES 1989-90. The Board Office recommended the Board approve the university's proposed student activity fee allocations for 1989-90, including summer session 1990.

Student activity fees are allocated from the annual tuition rates already approved by the Board of Regents. These fees are not assessed in addition to the annual tuition charge to the students. They represent an earmarked portion of the total tuition charge and are developed by each university in consultation with its students.

The proposed aggregate increase in student activity fees is 7 percent, an increase from \$120.48 per year for 1988-89 to \$128.92 for 1989-90. This increase matches the resident tuition increase approved by the Board.

University officials proposed an increase of 32 percent in the student health service fee, and 16 percent increases in fees for both the Daily Iowan Board and the Student Senate.

The largest fees continue to be the building fees assessed for the Arena/Recreation Project (\$12.86 per student, per semester) and the Iowa Memorial Union (11.46 per student, per semester).

Vice President Vernon introduced Daniel Shanes, President of the Collegiate Associations Council at the University of Iowa.

Mr. Shanes expressed the gratitude of the students for the Regents' hard work on behalf of the university and students. He stated that contrary to comments of students in the newspaper, he gave each of the Regents an "A+". He said both houses of student government endorsed the distribution of student activity fees.

MOTION:

Regent Tyler moved to approve the university's proposed student activity fee allocations for 1989-90, including summer session 1990. Regent Furgerson seconded the motion, and it carried unanimously.

FINAL BUDGETS 1989-90. The Board Office recommended the Board (1) receive the fiscal year 1990 detailed general education budget for the university of \$254,174,366 with final approval in July; (2) receive the detailed Intercollegiate Athletics Budget for fiscal year 1990 with final approval in July; (3) receive the detailed operating budget for the Oakdale Campus of \$3,354,756 with final approval in July; and (4) approve detailed budget for the Family Practice Program of \$1,758,947 with final approval in July.

The proposed general university operating budget of \$254,174,366 represents an increase of 9.0 percent over the fiscal year 1989 operating budget.

University officials anticipate a double digit salary adjustment for faculty. This will be accomplished through a combination of state appropriations and tuition revenue.

The state appropriation represents approximately 65 percent of total revenues for the general university.

An appropriation increase of \$900,000 for undergraduate education will enable the university to increase the number of sections offered in undergraduate courses.

Minority recruitment efforts for students and faculty will be increased due to a new \$390,000 state appropriation. The funds will be spent to attract minority faculty and for financial assistance and outreach programs for minorities.

Some inflationary increases are provided, generally in the 3 - 3.5 percent range.

The utilities budget for fiscal year 1990 is increased by \$1.8 million, 15.4 percent, due to debt service needs of the utility enterprise.

Salary increases will average approximately 10 percent for faculty, 7 percent for professional and scientific and 3.5 percent plus merit steps for general services staff.

The fiscal year 1990 proposed operating budget for all appropriated units is \$525.5 million of which \$215.4 million, 41 percent, is from state appropriations.

The Intercollegiate Athletic Budgets reflect \$10,768,677 in income and expenditures representing an increase of 8.9 percent. The Men's Athletic Program Budget totals \$7,441,977 or 69 percent of the total. The Women's Athletic Program Budget totals \$3,326,700 or 31 percent of the total. Intercollegiate athletics at the University of Iowa are a self-supporting auxiliary enterprise.

The University of Iowa Oakdale Campus detailed budget for fiscal year 1990 of \$3,354,756 is unchanged from the preliminary budget. The University of Iowa Family Practice Program detailed budget for fiscal year 1990 of \$1,758,947 is unchanged from the preliminary budget.

Vice President Phillips said nothing had changed since the preliminary budget with the exception of library automation.

President Pomerantz asked about the addition and subtraction of faculty as it relates to undergraduate education. Vice President Vernon said \$750,000 will go to the College of Liberal Arts and \$150,000 to Business Administration. He

said officials in the College of Liberal Arts were told to use the money to increase the number of offerings of GER courses. University officials hope that every freshman will have the chance to take at least two GER courses. Three undergraduate sections must be offered for each additional person hired. He expected the money would probably yield 15 to 18 faculty members. He stated that next month university officials would bring the specifics.

ACTION:

President Pomerantz stated the Board, by general consent, (1) received the fiscal year 1990 detailed general education budget for the university of \$254,174,366 with final approval in July; (2) received the detailed Intercollegiate Athletics Budget for fiscal year 1990 with final approval in July; (3) received the detailed operating budget for the Oakdale Campus of \$3,354,756 with final approval in July; and (4) approved detailed budget for the Family Practice Program of \$1,758,947 with final approval in July.

(a) Residence System Budgets. The Board Office recommended the Board receive the detailed residence system budget for 1989-90, which is identical to the proposed budget presented in March. Final approval is scheduled in July.

In March the Board approved the preliminary residence system budget subject to further review and action when university operating budgets are approved for 1989-90. The residence system budget presented for final approval in July is identical to the budget presented in March.

The 1988-89 revised budget has an increase of \$154,589 in revenues over the amount originally budgeted. Budgeted expenditures are decreased by \$387,154. This provides a net revenue increase after debt service and mandatory transfers of \$541,743 over the original 1988-89 budget.

The university's detailed budget for 1989-90 projects a \$421,477 (1.9 percent) increase in revenues over the revised 1988-89 budget and a \$1,438,161 (8.4 percent) increase in operating expenditures.

The voluntary reserve balance for 1989-90 is projected to be \$5,823,450 or 26 percent of gross revenues.

MOTION:

Regent Fitzgibbon moved to receive the detailed residence system budget for 1989-90, which is identical to the proposed budget presented in March. Regent Williams seconded the motion, and it carried unanimously.

(b) University of Iowa Statewide Health Service Units. The Board Office recommended the Board receive the fiscal year 1990 detailed budgets for the following budget units with final approval scheduled in July:

University of Iowa Hospitals and Clinics	\$240,704,000
Psychiatric Hospital	11,516,100
Hospital School	6,341,700
Hygienic Laboratory	4,030,800
Specialized Child Health Services	593,800

The proposed detailed operating budget for the University of Iowa Hospitals and Clinics for fiscal year 1990 is \$240.7 million. This is an increase of \$19,731,000 from the preliminary budget filed in May. This increase is due to a change in accounting method and does not reflect economic gain. If the budget is adjusted for the accounting method change an increase of 10.6 percent above the fiscal year 1989 revised budget is experienced.

The 1989-90 budget represents a substantial step forward in addressing major shortcomings stemming from noncompetitive professional salaries, particularly in the Nursing Department. Additionally, it provides funding in the general expense budget for many new technologies with which to accommodate patients suffering from AIDS, hemophilia, decubitus ulcers, and respiratory distress.

The detailed operating budget for the Psychiatric Hospital for fiscal year 1990 is \$11.5 million. This is an increase of \$142,400 from the preliminary budget filed in May. This increase is due to a change in accounting method and does not reflect economic gain. If the budget is adjusted for the accounting method change an increase of 7.3 percent over the revised fiscal year 1989 budget is experienced.

The detailed operating budget for the University of Iowa Hospital School for fiscal year 1990 is \$6.3 million. This is an increase of 6.2 percent over the fiscal year 1989 budget.

The University of Iowa Hygienic Laboratory detailed operating budget for fiscal year 1990 is \$4.0 million. This is an increase of 6.4 percent over the fiscal year 1989 budget. The detailed operating budget for the Specialized Child Health Services (Cancer, Hemophilia) is \$593,800. This is an increase of 7.2 percent over the revised fiscal year 1989 budget.

MOTION:

Regent Hatch moved to receive the fiscal year 1990 detailed budgets for the budget units with final approval scheduled in July. Regent Williams seconded the motion, and it carried unanimously.

STATE UNIVERSITY OF IOWA
June 21-22, 1989

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 21 and Thursday, June 22, 1989.

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

Register of Personnel Changes for May 1989 including early retirement, as follows:

KEITH L. MC ROBERTS, Professor and Chair, Industrial Engineering, retiring May 20, 1989, will have a total cost of \$96,280 for incentives, and the college will use the cost savings for faculty replacement and reallocation.

ACTION: President Pomerantz stated the Board ratified personnel transactions, as presented, as a consent item.

ACCEPTANCE OF POST AUDIT REPORTS. The Board Office recommended the Board refer this matter to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials provided a post-audit report on three programs five years after initiation of the programs to see if they are meeting objectives and goals.

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

APPROVAL OF ADMINISTRATIVE APPOINTMENTS AND REAPPOINTMENTS. The Board Office requested that the Board approve the:

1. Appointment of DAVID L. SHROCK as Dean of the College of Business Administration and professor of Transportation and Logistics, effective July 1, 1989 at an annual salary of \$100,000;
2. Appointment of PATRICIA B. SWAN as Vice Provost for Research in Advanced Studies, Dean of the Graduate College and Professor of Food and Nutrition, effective October 1, 1989 at an annual salary of \$100,000;

3. Reappointment of NORMAN L. JACOBSON as Associate Provost for Research and Dean of the Graduate College effective July 1, 1989 through September 30, 1989 at an annual salary of \$105,000; and
4. Appointment or reappointment of Department Chairs as follows:
 - Reappointment of FRANKLIN A. AHRENS as chair of the Department of Veterinary Physiology and Pharmacology effective July 1, 1989 through June 30, 1990 at an annual salary of \$95,400;
 - Appointment of DONALD D. DRAPER as Professor and Interim Chair of the Department of Veterinary Anatomy effective July 1, 1989 through June 30, 1990 at an annual salary of \$90,000;
 - Appointment of DR. CLAUDIA L. HALE as professor and chair of Speech Communication effective July 1, 1989 through June 30, 1991 at an annual salary of \$51,400;
 - Reappointment of FRANK E. HAGGARD as professor and chair of the Department of English effective July 1, 1989 through June 30, 1992 at an annual salary of \$70,100;
 - Appointment of HOWARD A. LEVINE as chair of the Department of Mathematics effective July 1, 1989 through June 30, 1992 at an annual salary of \$95,000;
 - Reappointment of CLYDE K. WALTER as interim chair of the Department of Transportation and Logistics for the period July 1, 1989 through June 30, 1990 at an annual salary of \$70,000;
 - Appointment of JOHN C. DUGGER, III as interim chair of the Department of Industrial Education and Technology for the period August 1, 1989, until a new chair is named at an annual salary of \$54,488;
 - Reappointment of JULIUS O. KOPPLIN as chair of the Department of Electrical Engineering and Computer Engineering effective July 1, 1989 to June 30, 1990 at an annual salary of \$105,556;
 - Reappointment of FRED D. WILLIAMS as chair of the Department of Microbiology effective July 1, 1989 through December 31, 1989 at an annual salary of \$63,700;
 - Reappointment of DENNIS R. STARLEAF as chair of the Department of Economics effective July 1, 1988 through June 30, 1994 at an annual salary of \$97,390;

Appointment of LT. COL. MICHAEL P. WELSH as professor and chair of the Department of Air Force Aerospace Studies effective July 16, 1989 through July 15, 1992 at a salary provided by the United States Air Force;

Appointment of JAMES H. ESPENSON as chair of the Department of Chemistry effective July 1, 1989 through June 30, 1993 at an annual salary of \$106,108;

Appointment of DR. WAY KUO as professor and chair of the Department of Industrial Engineering effective May 21, 1989 through June 30, 1993 at an annual salary of \$79,968;

Reappointment of LAWRENCE E. EVANS as professor and chair of Veterinary Clinical Sciences effective July 1, 1989 through June 30, 1990 at an annual salary of \$98,000;

Appointment of LABH S. HIRA as interim chair of the Department of Accounting effective July 1, 1989 through June 30, 1990 at an annual salary of \$81,000; and

Appointment of JERRY KNOX as interim chair of the Department of Community and Regional Planning effective July 1, 1989 until a new chair has been named, at an annual salary of \$54,000.

5. Approve the reorganization of the areas reporting to the Vice President for Student Affairs and appoint EARL DOWLING as Assistant Vice President for Enrollment Services and Director of Financial Aid effective July 1, 1989 at an annual salary of \$65,500.

Provost Glick stated that with approval of these appointments comes the completion of the five dean-level appointments. He noted that in all five instances university officials got their first choice.

MOTION: Regent Fitzgibbon moved to approve appointments and reappointments, as presented. Regent Tyler seconded the motion, and it carried unanimously.

APPROVAL OF APPOINTMENTS. The Board Office recommended that the Board approve the reappointments as outlined below.

In accordance with the Procedural Guide Section 4.05A, secretaries, affirmative action officers and treasurers shall be nominated annually by the executive heads of the institutions. The following nominations were made for the coming year:

BERNARD O. RANDOL, Controller, as University Secretary for the fiscal year beginning July 1, 1989;

JOAN THOMPSON as university Treasurer for the fiscal year beginning July 1, 1989; and

CHARLES L. SAMUELS as Affirmative Action Officer for the fiscal year beginning July 1, 1989.

MOTION:

Regent Fitzgibbon moved to approve the reappointments, as presented. Regent Tyler seconded the motion, and it carried unanimously.

PROGRESS REPORT ON STRATEGIC PLANNING. The Board Office recommended the Board (1) receive the report from Iowa State University on Strategic Planning and (2) await specific requests from the institution as appropriate to implement various actions to be presented to the Board of Regents as an institutional plan this fall.

This item relates to the recommendations of President Eaton and Provost Glick for implementation of the program recommendations of the Iowa State University Academic Program Review Subcommittee of the Long-Range Strategic Planning Committee. Each recommendation is addressed by the appropriate collegiate unit and President Eaton and Provost Glick.

Specific actions that require Board approval will be submitted, in the form of an institutional plan, to the Board of Regents this fall.

President Eaton stated he had consulted widely across campus to put together the long-range strategic planning committee. The committee was redesigned several times. He had originally hoped it would consist of a relatively small amount of people; however, the committee size grew to 22 people. Jean Adams was the chairperson of the committee. The rest of the committee consisted of faculty, staff and students. The feeling was that both the academic part of the university and the student views were recognized. President Eaton shared with the committee members at two meetings the general charge of the committee. Issues leading up to the seating of the committee included five budget reversions and the loss of tenured faculty. University officials needed to determine if the institution was as lean, streamlined and efficient as it could be. They knew the institution would likely grow smaller, and he said it has grown smaller in the last 2 years. Declining enrollments were partially due to a tightening of admission requirements and the opening of a second engineering school in Illinois.

President Eaton said the committee deliberated from May 1987 through February 1989, at which time it released the second of two volumes of its findings. He noted that each of the Regents had received copies of the two volumes. Together the reports amounted to 225 pages of very thoughtful, comprehensive study. The reports were based on thousands of hours of work, and much

deliberation and debate. Open hearings were held around the campus on the committee's findings.

President Eaton stated that President Pomerantz has suggested that Iowa State University should become the best land grant university in the nation. President Eaton applauded that as a goal and objective.

The deliberations of the committee included detailed program reviews of every program on campus, based on a specific criteria. Centrality to the university's mission was one of the criteria. Another criteria was quality and potential quality. A third criteria was demand and student interest in programs. He noted that student interest is very important. The Department of Philosophy is very small but there is much course interest on campus. Another criteria used by the committee was to look at how unique the programs are and to specifically look at the programs of the other two Regent universities. Finally, the committee members looked at financial considerations.

President Eaton said the committee addressed strengthening areas of high priority to the university. Certain programs were the only program in the state such as veterinary medicine and agriculture. In other cases the committee members tried to identify programs that had well-known reputations around the country. The committee wished to continue to support those programs. He said student demand can rapidly change. Today students respond quickly to the availability of jobs. Two years ago one-fourth of the Bachelor's degrees granted were in Business.

President Eaton said all of these things were on the minds of the committee members as they went about their work. He noted there is interest around the country in Iowa State University's long-range strategic planning effort. This is the most comprehensive effort of this kind President Eaton has seen. The committee did a very thorough, systematic and conclusive job. There was great controversy when volume 2 was released and the committee was subjected to a fair amount of heat. There were several experts in this area on campus at the end of this process before the release of the second volume. Dr. George Keller, a foremost authority on academic reorganization, said he was impressed at the thoroughness of the report. University officials requested a two-month response period but later extended that deadline by one month. Iowa State University officials came out with their response to the committee's recommendations. In many cases the recommended actions were accepted. Other administration responses were to accept with modification the committee's recommendations. Modifications came via discussion with heads and deans including those in the Department of Journalism and Telecommunicative Arts. In some cases university administration recommended tabling some areas that were sweeping in their breadth. One of these areas was life sciences. University officials proposed further study with a date to have the study back.

President Eaton stated that so much change was proposed it could not all be done at one time. He said the committee's recommendations are just the beginning. He said he wished to impress upon the Regents that this was not a casual exercise. There has been an enormous amount of investment.

Provost Glick stated Iowa State University officials are in the most ambitious two-year planning process of any university in the country. It is exhaustive and thorough. He said that if the two documents were the end of the planning process then the two-year study was in vain. It has established a framework for planning. He said the committee concluded they have the responsibility of the historic mandate of being the people's university. They are opening doors to citizens of the state. The committee strongly endorsed the need for a broad-based, strong undergraduate program. He noted the average student will change professions three times during his/her lifetime. The committee reinforced that the university must be national class in historic areas of strength such as agriculture, science and engineering. He said the committee addressed selection and hiring of faculty and said university officials should never hire anyone who would not likely be in the top one-third of their department.

The committee was also very concerned about the historic mission of extension and outreach. One of the recommendations was that the dean of extension become a vice provost for extension. The committee also recommended expanding graduate and research areas, and striving to increase external funding. University officials are taking steps to implement those recommendations. The committee also urged university officials to attempt to stay close to their present enrollment which Provost Glick said would not be easy given the high school demographics. They are also committed to diversification. Nationally, 52 percent of students are women. At Iowa State University that figure is 40 percent. The committee recommended recruiting more high school graduates. He noted that Iowa already sends more of its youth to college than almost any other state in the nation. The university is under mandate to expand minority population to at least 8-1/2 percent. University officials are also committed to increase the number of students recruited that are in the top fraction of their class. They also hope to recruit more national merit scholars.

Provost Glick said the university's ongoing planning will be facilitated by an associate provost for planning. The associate provost for planning will be the facilitator that works with the departments to help them plan at the same time university administrators plan.

The second volume of the committee's report is referred to as the "Brown" report because it was not written by the whole committee but rather was written by a subcommittee, consisting of only faculty. Provost Glick said it is a highly provocative report that looks program by program at every program in the university. He said each recommendation has a potential for improving the quality of the university. University officials recommended

implementation of some of the second report's proposals, rejection of others and that many others be studied.

Provost Glick said it must be recognized that the committee had conflicts as it looked at multiple criteria. Agriculture on a cost per credit hour basis is very expensive. However, Iowa is the #2 state in agriculture in the nation.

Provost Glick stated the next step in this process is to have discussion by the curricular committees before the final recommendations are brought to the Board of Regents.

Provost Glick said the College of Engineering has undergone extensive internal review. Within the college there has been a major reexamination of its goals. They have come to an agreement that the 11 departments should be reduced to 8 departments. He said university officials were recommending that the Department of Food Technology and the Department of Food and Nutrition be merged. This merger has been discussed for 15 years and came close to happening several times. Faculty has overwhelmingly supported the merger.

President Eaton said College of Education officials have undertaken a study leading to major reorganization within that college. The recommendations are so far reaching it will take time and debate within the college. University officials are very concerned about access. Many graduate students in education are presently teachers in the public schools. They further their education on a part-time basis. In the Department of Journalism and Mass Communication there is a recommendation to create a new merged department that will include audio media, visual media and print media.

President Eaton stated that veterinary medicine nationally has grown from 17 veterinary schools to 27 at a time when demand for student enrollments has decreased. A charitable trust is sponsoring research on how these schools can best support each other. Iowa State University received special grants in this regard. The study will come to an end late this calendar year; therefore, university officials deferred on recommendations for the veterinary school.

President Eaton said the new Dean of the College of Business will arrive on campus July 4. That dean sees as one of his first responsibilities looking at the five departments in the College of Business in terms of effectiveness and resources.

President Pomerantz said there are some points of disagreement between the self study and the Peat Marwick Main study. He hoped that over the next 90 days they could narrow the issues to whatever remains in disagreement and that can become the area of focus.

Provost Glick said that indeed there were far more areas of agreement than disagreement. University officials asked that three speakers from the university provide brief remarks on the areas of disagreement.

President Pomerantz said it should be recognized that the Board does, in fact, support strongly the administration in terms of creating change. It shouldn't come as a surprise that they have the ability for meaningful dialogue. There is strong support for the university administration. Where they have disagreement they will do what they can to resolve the disagreement and will go through a process to resolve those in an appropriate way. He said there may still be fundamental differences at the end of the process. The basic fundamental goals were agreed to a long time ago although how they get there might be an area of disagreement. He said he suspected there will be less areas of difference than areas of agreement.

Provost Glick said President Pomerantz' statement would be very reassuring to faculty and students.

Regent Hatch noted that President Eaton had said that during his predecessor's administration the university's range of programs had been broadened. She questioned whether the needs of the 1980s would dictate more and varying programs than when the university was established.

President Eaton said time demands differences. Today's definition of an educated person is different than 100 years ago. University officials take the position that while part of their responsibility is to educate students for special jobs, those students have to be knowledgeable citizens.

Regent Hatch asked for the definition of a land grant college of this era. President Eaton said the committee has put forward a mission statement which the Board Office has had on file until they finish this process.

Provost Glick stated that Congressman Morrill stated explicitly that the role of the land grant university is to provide for the liberal and practical education of the children of the industrial classes.

Provost Glick introduced Associate Dean Jean Adams, chair of the strategic long-range planning committee; Dean David Kao of the College of Engineering, who joined the university one year ago; Virgil Lagomarcino, who may be the only dean to have a building named after him during his life time; and Professor David Holger, President of the Faculty Senate.

Associate Dean Adams stated the 2-year process of strategic planning was completed in May 1989. While it leads to a large number of changes, it is only the first phase of development of ongoing planning. Interested parties are being given opportunities to suggest modifications to the recommendations. The subcommittee conducted reviews of all the university's academic programs with an eye toward refocusing and strengthening of programs. These reviews

were followed by widespread discussion on campus. She said the Peat Marwick Main study began after the campus self-study was initiated. She was very concerned that the possible adoption of some of the Peat Marwick Main recommendations will undermine the self study and jeopardize further meaningful planning at Iowa State University. She felt it was important that some of the campus committee's recommendations be implemented. The subcommittee recommendations were based on a perspective of what the committee members felt was best for Iowa State University as a whole and related to the university's broad mission.

Associate Dean Adams stated that President Eaton wanted people to serve on the committee who could rationally discuss eliminating their own programs. She said the committee members did take into account the offerings of the other two Regent universities. There will be many trade offs with any of the recommendations. Ms. Adams referred to the Peat Marwick Main recommendation concerning the Iowa State University journalism program. The long-range strategic planning committee reviewed the journalism program with the same criteria Peat Marwick Main asked of its external consultants. In regard to demand she said journalism is a very large program. It consists of 696 majors and serves 609 undergraduate students. The majority of students are women. There is also a large representation of minority students. 81 percent of the undergraduates are Iowa residents with 60 percent from the western one-half of the state. She said a study of the journalism enrollments indicated that 48 percent of the students are not majors in journalism. Majors from every college take journalism courses. She said the consultants concluded that the demand will remain strong in the future. They concluded that both programs were needed to serve the students of the state. In regard to uniqueness, she said the consultants themselves found the journalism programs are different. The differences are appropriate and tied to the mission of the universities. The journalism programs at Iowa State University are more practical while the programs at the University of Iowa are more theoretical, academic and research-oriented. The consultants also discovered differences in terms of organization. The program at Iowa State University is more media specific. In regard to quality, she said both programs are high-quality, highly-regarded programs nationally. Iowa State University officials are particularly proud of its journalism program in terms of national awards for students. In terms of financial considerations, Ms. Adams said the evidence indicated that Iowa State University's journalism program was making a net revenue of \$250,000 for the year past. She said it did not make sense to eliminate a program with quality, demand, uniqueness, and with a focus close to the mission of the university especially where there is no dollar savings.

Regent Berenstein asked where Associate Dean Adams had gotten the information she was referring to. Ms. Adams said it was information Peat Marwick Main officials asked Iowa State University officials to give the external consultants.

Regent Tyler referred to the beginning of Associate Dean Adams' remarks concerning the undermining of the university's strategic long-range planning committee recommendations. He asked if the Board's adoption of any of the Peat Marwick recommendations would be considered an "undermining" by the campus committee. Associate Dean Adams said she did not mean to imply that. Her concern was that the work that has been done on the campus may not be taken into account during the decision making.

Regent Greig thanked Ms. Adams for the very comprehensive and very tough work plan of the committee. He felt it was very well done and looked at the university very critically.

President Pomerantz offered his compliments on the committee's fine reports. He went on to state that the Board of Regents retained Peat Marwick Main, not their subcontractors, and are looking to Peat Marwick Main for the recommendations. He noted that in an academic environment it was fair to say that self study and internal reflection is not unusual. The way they went about it at Iowa State University was comprehensive and extensive; however, it does result in a totally academic review of an academic institution. He felt it was logical to seek an objective outside view. He hoped that whatever their biases they would be fair enough to recognize opposing view points. The truth may not lie at the university which was part of the logic in retaining an outside consultant. The Board will not limit the input to that of Peat Marwick Main. He felt it was best to get many opinions.

Dean Kao thanked the Board for the opportunity to describe the recently-completed College of Engineering self study and reorganization effort. The proposed new academic structure the faculty has developed will allow them to most effectively utilize resources, to best serve the education and economic development needs of Iowa citizens and to strive for excellence. College officials began the process with a review of the issue of U.S. technological competitiveness in the world market place. Dean Kao provided the following examples: The transistor was invented in the United States but in the past 20 years the U.S. market share in semiconductors has declined from 90 percent to 64 percent. Other technologies pioneered in the U.S. have suffered even worse erosion of their market shares. Clearly, there is no lack of American pioneering spirit and ingenuity; but our manufacturing and industrial practices must improve if we aspire to be leaders in the global market place of the 21st century.

Dean Kao noted that another revealing statistic on the "fraction of national workforce engaged in science and engineering" points to the fact that economic competitiveness is directly linked to the strength of its science and engineering workforce. Our competitors' technological workforces are growing rapidly while ours is almost unchanging. He stated that manufacturing affects Iowa's economic health rather substantially. Plans for Iowa's economic development and diversification require an expanding role for manufacturing in our economic future. The faculty of Iowa State University's College of

Engineering believe it is their duty to serve Iowa's needs through increased effort in instruction and research in manufacturing. The faculty also endorsed the concept of "The Seven Tier Process in Engineering". Designs are only plans; engineers must construct and manufacture products to make a meaningful contribution to society. The 7th step of this process converts plans into reality, and this step is the primary concern of the industrial engineer. He said industrial engineering is the only engineering program to emphasize integration and manufacturing life-cycle analysis involving automation, quality and reliability, productivity and manufacturability. It forms the keel of all engineering production activities.

During the past 5 to 6 months, the Iowa State University Industrial Engineering faculty have worked extremely hard in establishing its future directions. Dean Kao said an objective comparison of industrial engineering programs between Iowa State University and the University of Iowa was also made, and it reached the same conclusion as the Peat Marwick academic consultants' study: there is no duplication. He said major changes in the Engineering College-proposed plan include merging 11 departments into 8, reducing curricula from 19 to 11, establishing a division of engineering fundamentals and multidisciplinary design, and enhancing interdisciplinary research and graduate education. The proposed new Engineering College programs set its goals to prepare engineers of the 21st century with broad-based and fundamentally sound technical education, sensitivity to social, economic and environmental issues, capability for career-long learning, appreciation of good teamwork, and command of effective communication skills. He said the reorganized College of Engineering will strive for a unique balance of excellence in undergraduate education, research and outreach, which will fulfill the true spirit of the land-grant university's mission and best serve the higher education and economic development needs of the state.

Dean Kao stated that while excellence is difficult to measure in absolute terms, College of Engineering officials equate excellence to being a leader in the field. It is their goal to be the best in engineering education. Under the guidance of the Board, leadership of the university administration and full participation of the faculty, they are confident they can achieve this goal.

President Pomerantz asked if College of Engineering officials could accomplish their goal without additional resources. Dean Kao responded that they are going to use every portion of the resources given to them in the most effective manner before requesting additional resources. He said physical space was included in that effort. They pledge to utilize every square foot of their physical space and to ensure it is effectively utilized.

President Pomerantz asked what Dean Kao thought the additional requirements for capitals and equipment would be over the next 10 years in order to achieve their goals. Dean Kao stated they have requested a new building to house two merged departments. He said college officials did a very comprehensive

overview of space needs that included anticipated increased research activities. They set a goal to double graduate student enrollment. He said college officials requested a small amount of additional funding to help strengthen infrastructure support staff. Because of deterioration in the infrastructure, faculty members are performing duties that can be done by Professional and Scientific staff. He noted that all faculty members have made a commitment to seek additional external research to help strengthen the college.

President Pomerantz asked how Dean Kao felt the college ranked in terms of competition for attracting the best faculty. Dean Kao said the faculty salaries are now at a point of being competitive. However, there is a shortfall of engineering faculty nation wide. What they need to attract the best faculty in addition to salary is a package of start-up equipment and initial support, as well as a commitment for research assistance.

Regent Fitzgibbon asked for Dean Kao's opinion of what will happen if the Board endorses Peat Marwick's recommendations concerning industrial engineering.

Dean Kao said it would be very detrimental. In their reorganization they studied the future of engineering. They concluded they have to move into multi-disciplinary team work and must have students learn more than equations. He said they must keep in mind that if they do not have the industrial engineering program it takes the last step out of their 7 tier process. Their industrial engineering department is already addressing the last step process.

Provost Glick asked Dean Kao to comment on industrial engineering's role in Iowa industry. Dean Kao said there are 4,414 living alumni. 193 of those are in leading positions in industry. He noted that when college officials visited with industry officials and presented their new direction, thus far they have received support of the direction they are moving. Dean Kao added that engineering used to be a profession of mostly males. In industrial engineering 29 percent of the students are women. College officials have increased their efforts in attracting more minority and women students.

Regent Williams asked what the College of Engineering is doing and what should be done to attract more women into other engineering fields. Dean Kao said many women students don't think engineering is for them because of lack of information. College officials are in the process of consolidating their Women for Science and Engineering Organization scholarships into one. They plan to make those available as early as the middle school age. They have also started a Women in Engineering mentoring program. He also feels that attracting more women faculty will have a positive effect on increasing the number of women students. They have been quite successful just recently by recruiting one woman faculty for electrical engineering. He said they are recruiting very much for women faculty. There are now 19 women faculty in the College of Engineering.

Regent Hatch asked how many of the 19 are in industrial engineering. Dean Kao responded there was one woman faculty in industrial engineering.

Regent Hatch asked where the rest of the 19 women faculty were located. Dean Kao said there were five in civil engineering, several in freshman engineering, and several in the Ph.D. program. He noted that the 19 includes graduate students.

Regent Hatch asked how many are adjunct faculty. Dean Kao responded that 5 to 6 are adjunct faculty.

Regent Williams stated that one of the problems women students encounter is barriers once they begin a program. She hoped there were some inservice programs to address that problem. Dean Kao said college officials realize that and constantly bring the subject up as discussion among faculty. He said he personally works with the Society for Women in Engineering, participates in their activities, and has asked them to help. He added that he also requested assistance from the Society for Hispanics and Society for Blacks in Engineering.

Regent Furgerson asked how many of those minority groups were represented on faculty. Dean Kao said there is one Black faculty member and they have not been successful at recruiting Hispanic faculty. He said the major difficulty is the availability of Hispanic faculty. College officials are developing a comprehensive plan to recruit students who are in the process of pursuing their Ph.D. degrees.

Regent Fitzgibbon asked how many people are enrolled in industrial engineering. Dean Kao said there are 570 undergraduates and 80 graduates. He noted that as of June the Department of Industrial Engineering has research support exceeding \$1 million. Pending proposals exceed \$2 million. He said faculty has worked very hard.

Regent Westenfield asked out of the top engineering schools in the country, how many do not have industrial engineering programs. Dean Kao said the industrial engineering department at Iowa State University is the 4th largest in the nation, and the department is the third largest in producing undergraduate degrees in the state. Altogether, theirs is 4th in 110 industrial engineering programs in the nation. There are 272 engineering schools in the country. More importantly, he said that among the 11 peer institutions, 9 of them has industrial and manufacturing-oriented programs. As far as the other two peer institutions, Michigan has a larger program and Minnesota has the option of mechanical engineering.

Dean Lagomarcino said it was his privilege to come before the Board for over 21 years. He said the Peat Marwick Main recommendations do not "square" with what university officials perceive. In the days ahead university officials

will try to present evidence to the Board of Regents in the hope the Board will agree with them. He felt a need to share some of the initial trauma on campus as a result of the Peat Marwick recommendations and to acquaint the Board with some of the faculty interests and concerns. He said the university community has been deeply involved in bringing about recommendations of their strategic planning committee. In the College of Education they are getting ready for the national accreditation team visit. When the team visited 10 years ago the college was examined on 80 standards and was found to have no weaknesses. College of Education officials were dismayed with some of the recommendations of the Peat Marwick firm and some of the faculty were shocked. Dean Lagomarcino is daily involved in damage control. Parents of entering freshmen sought to ascertain the availability of educational programs in the upcoming years. He has received phone calls from around the state -- students and graduates are deeply concerned.

Dean Lagomarcino stated the recommendation to eliminate their doctoral programs came as quite a surprise. He said the recommendation in no way is consistent with the report of the professional evaluators under the charge of the firm. The doctoral programs are of long standing. He said President A. S. Welch's Plan of Organization for Iowa State Agricultural College in 1869 called for a professorship in the Science and Art of Teaching, and for giving special preparation to those of both sexes who choose to teach. He said that in this land grant tradition, the advanced degree programs of the Iowa State University College of Education have continued to serve the needs of the state, the nation and the world. Over 600 graduates have earned the Ph.D. degree since its inception in 1943. He said that to eliminate a program of this quality and magnitude would be a catastrophic loss to Iowa, a state that is known for excellence in education. The doctoral degree is the academic capstone of graduate programs in education and is a vital necessity for recruitment of quality faculty. He said that without a doctoral program in education a high-quality educational program cannot exist. No professor teaches only doctoral students. Many of the professors who teach undergraduates also teach graduates. He said the teaching and research at both levels enriches both areas. Undergraduate education would be seriously eroded because faculty would leave. He said every major land grant university offers a doctorate in education program. Participation in a doctoral program has a direct effect on the academic vitality of faculty. He said their graduate faculty are extremely successful at receiving external grants and contracts. Some grant opportunities would be closed if the college did not offer the doctoral program. College officials have also been successful at increasing the number of minority students seeking the doctorate.

Dean Lagomarcino cautioned that even the discussion of the recommendation to eliminate the doctoral program in education will cause serious disruption in the recruitment process. If the recommended action were to occur some students would enroll at the University of Iowa, some students would forego seeking the doctorate and some students would migrate to institutions outside the state of Iowa. He stated that when the Peat Marwick firm recommended

elimination of programs in education those recommendations exceeded the recommendations of their external consultants. He emphasized that Iowa State University's long-range strategic planning committee supported the continuation of doctoral study in education at Iowa State University.

Dean Lagomarcino stated the recommendation to eliminate the Department of Industrial Education was equally disturbing. Industrial education has been an integral part of vocational education. The doctoral program is rated among the top 5 programs in the United States. The technology taught in the department is necessary for the preparation of industrial education and vocational teachers. Students with this background in technology are also greatly marketable in many Iowa industries. Dean Lagomarcino pointed out that theirs is a university of science and technology. Technology is best defined as the "practical application of the science". He asked where else would one expect to find baccalaureate programs in technology than in a university of science and technology? He said their particular program preparation embraces a comprehensive background not only in general education but also a strong emphasis in math and science. The programs of the Department of Industrial Education and Technology relate directly to the mission of a land grant university and to the emphasis on science and technology at Iowa State University. Iowa State University has a 70 year record of preparing industrial vocational technical teachers for Iowa's secondary and post-secondary schools. Faculty members are working with the Center for Industrial Research and Service (CIRAS), Iowa State Innovation System (ISIS) and companies seeking assistance with research and development. This contributes to the economic development activities in the state and is an important adjunct.

Dean Lagomarcino said he looked forward to the weeks ahead to present a strong and comprehensive analysis for the Board's consideration addressing the importance of their doctoral programs and the value of their Department of Industrial Education and Technology. He urged an early decision based on solid evidence that considers not just cost alone, but a judgment that considers dollars expended as an investment in human capital.

Regent Fitzgibbon referred to Dean Lagomarcino's statement that Peat Marwick Main officials acquired other consultants to help in specific areas and then did not accept their outside consultants' recommendations. He asked if university officials had any participation in that process. Dean Lagomarcino said they would be distributing a copy of their response to the external consultants' report at the end of this presentation. Provost Glick said university officials have not been told why Peat Marwick Main officials disagreed with their consultants' recommendations.

President Pomerantz stated they were waiting to see the full report, which was expected to be delivered in 10 to 14 days. He pointed out that the Board of Regents retained Peat Marwick Main, not their educational consultants. He said it was the Board's understanding that Peat Marwick Main officials could

accept their consultants' recommendation in full or in part, or reject it completely.

Regent Fitzgibbon said that if there is a difference in the educational consultants' recommendations and those of Peat Marwick, he wanted to know why. President Pomerantz said that was a fair request. He asked how much grant money does the College of Education produces.

Dean Lagomarcino stated that in 1987-88 the college had over \$3 million in standing grants.

Regent Berenstein asked how much of that grant money would be lost if the Board adopted the Peat Marwick recommendations. Dean Lagomarcino said that information could be found in the materials to be distributed at the end of this presentation.

Regent Hatch said she has been impressed at the scope of the self study. She said that in looking at the proposals for the Department of Education she saw a lot of "college opposes" responses to the committee's recommendations. She asked for clarification.

Dean Lagomarcino stated that in regard to the recommendation to combine special education program in elementary education, counselor education section and special education section from professional studies, communications disorders program in speech communication, and school psychology program in department of psychology, the College of Education officials felt that since mainstreaming is important they prefer rather than having a separate department that would be much better to incorporate.

In regard to the planning committee's recommendation to focus on just preparation of teachers of physical education and health teachers for elementary and secondary schools, Dean Lagomarcino said college officials opposed restricting the departments' efforts to the preparation of teachers. They felt the role should be to prepare personnel to serve education roles in a variety of public and private agencies and institutions, as well as within the public schools. However, he said college officials are willing to discuss it.

In regard to the planning committee's recommendation to transfer dance program to proposed Department of Performing Arts in Science and Humanities College, Dean Lagomarcino said the College of Education had a dance program for many years to provide movement exercise. In regard to the committee's recommendation to phase out the program in leisure studies, Dean Lagomarcino said that will be studied in the next round of analyses.

Dean Lagomarcino referred to the planning committee's recommendation to focus on preparation of vocational education teachers and to merge current vocational education programs in industrial education and technology, ag

education and F&CS education. He stated that at one time the Department of Vocational Education was in the Department of Agriculture. The ag education stayed in the Ag College. None of the faculty felt it would be appropriate to put all the vocational education in one place. College officials proposed reactivating the Committee on Vocational Education. He operates from the theory that it works very well the way it is.

President Pomerantz asked Dean Lagomarcino to imagine himself as a Regent, and to look out over three Regent universities with major education programs and all having doctoral degrees. He said there must be a recognition of limited resources and the Board's desire to obtain excellence. He asked what Dean Lagomarcino would do. Dean Lagomarcino said he would do what the Regents are doing: looking carefully and gathering all the information then making a decision.

Regent Fitzgibbon stated that along that line they would look at it differently if two of the programs were excellent and one only fair. He questioned if they have three programs that are excellent, why change it. He said there was a lot to weigh in deliberating the consultants' recommendations.

President Pomerantz said there are 2,800,000 people in the state, 3 Regent universities, 30 private colleges, and 15 to 16 area schools which is a lot of structure for the size. He said they had to look at the totality of education in the state. In order to do that they have to compare the totality of the education industry.

Provost Glick pointed out that all three teacher education programs have more students going in than other units on campus. They can more effectively integrate teacher education into the whole university. Most teacher education courses are taken in the other colleges. He said that one of the positive features at the University of Iowa and Iowa State University is that the education students major in the College of Science and Humanities which is a highly-integrated program.

Provost Glick introduced David Holger, the new president of the Faculty Senate.

Professor Holger stated the Regents had heard from others about fairly specific aspects of reorganization at Iowa State University. He said the faculty has certainly engaged in the discussions and will continue to be so engaged. He asked that the Regents consider the following important points as they proceed in dialogue. Each Regent university is engaged in comprehensive reorganization efforts. Internally at Iowa State University it is serious and substantive. Professor Holger has been involved in generating and writing the response from the Faculty Senate. At times that debate has been pretty heated and they have had some pretty confrontational meetings. From the faculty perspective while they don't like all the recommendations the dialogue has

been good. They expect to bring in September views of faculty on the planning committee recommendations. Recommendations for more than 40 substantive changes have emerged. In several cases implementation of proposed changes has begun, and a similar number of potential additional changes are undergoing further study.

Professor Holger stated that accountability is an important aspect of reorganization planning. He said any plan developed and implemented by the administration and faculty of one of the Regents universities is subject to approval and ongoing review by the Board of Regents. The Regents universities are fully accountable to the Board for the effective implementation of such a plan. An external agency or organization is not directly accountable to the Board if its recommendations prove to be ineffective. He said accessibility of programs to the citizens of Iowa is an important consideration in program elimination. A primary mission of the Regents institutions is to meet the needs of Iowans. He felt that high demand programs should be offered at more than one institution. There will be increasing demand for Regents universities' programs by non-traditional students at multiple locations throughout the state.

Finally, Professor Holger stated reorganization that enhances the quality and effectiveness of higher education in Iowa is what everyone wants. Faculty recognize the need for substantive change and have worked hard on developing plans for that. He said the source of ideas and proposals for change is not as important as the potential for true enhancement of quality and effectiveness that will result from implementation.

President Pomerantz addressed the process and how they would go forward. One caveat was that they would not be able to issue guidelines that afternoon. He asked the Board Office, within 7 to 10 days, to come back to all affected parties with a program of guidelines on how the Board would receive input and perhaps to schedule more sessions if and when needed. He said they would probably need to schedule some one-half day sessions. They will narrow the areas of disagreement as they all try to accomplish the same goals.

Regent Berenstein said it was important to remember, as they view the report on potentially duplicative programs for the first time, that the Board hasn't met with University of Iowa or University of Northern Iowa officials. He said this is a joint venture. They need to do what is best for the state of Iowa. They have three excellent programs. He said they need to ask if they do eliminate a program will it make the other two better? He felt it was important for the media to disseminate that information throughout the state.

President Pomerantz said there has been a submission of the institution strategic plan. In the fall the Board will have another session around the strategic plan of Iowa State University.

President Eaton reminded the Board that in the event of any curricular changes there is a role for faculty. He said that if the Board anticipates taking action by September the faculty will not have had adequate time to meet.

President Pomerantz said they need to get the whole program laid out. Whether it is September or another date, it will be an appropriate date.

Regent Fitzgibbon said it was important that with all the materials available to help the Regents in their final determination, the sooner the information gets in their hands the better.

ACTION: President Pomerantz stated the Board, by general consent, (1) received the report from Iowa State University on Strategic Planning and (2) awaited specific requests from the institution as appropriate to implement various actions to be presented to the Board of Regents as an institutional plan this fall.

REVIEW OF ORGANIZATIONAL AUDITS OF IOWA STATE UNIVERSITY. The Board Office recommended the Board receive the report on the status of organizational audit reports at Iowa State University and approve the recommendations as contained in the report.

This item covers the recommendations of Peat Marwick on its reports of four areas at Iowa State University (i.e., Organization and Staffing, Program Review, Faculty Workload, and Internal Policies and Procedures). Iowa State University and the Board Office recommendations are made for each area.

Two Iowa State University reports are not yet completed.

President Eaton stated that President Pomerantz and he had agreed that for items where university officials and the Board Office agreed with the Peat Marwick recommendations, there was no need for discussion. Under the recommendation regarding the executive vice president, President Eaton reminded the Board that position at the university is different than in industry. In fact, he said Mr. McCandless served as "utility outfielder". As a result of the recommendations of Peat Marwick, university officials have moved many of the responsibilities of that position. Mr. McCandless now holds all the responsibilities as recommended by the consultants. President Eaton said that of all the officers of the central university the most highly-informed person is Mr. McCandless.

In regard to the recommendation to have Athletics report through the Vice President for Business and Finance, President Eaton said the Vice President for Business and Finance already has "too full a plate". University officials feel the Executive Vice President continues to be the appropriate

administrative officer to be responsible for the intercollegiate athletic programs at Iowa State University.

Regent Fitzgibbon referred to the recommendation concerning shifting marketing to new division for External Relations and Administrative Services to Business and Finance, and the university's response that the recommendation was under study at present with inclinations to implement the former in modified form, but not the latter. He said that when he first read this he felt they were minimizing marketing as a major function of the university. President Eaton said that what he anticipated university officials would be bringing to the Board was a request to create a position of Associate Vice President in Marketing. This person would report on a day-to-day basis to the Vice President for External Relations but would retain a very direct line to the President.

President Eaton stated that next month university officials would bring a request to change the name of the Office of Legal Services.

The consultants proposed creating a new senior staff position reporting to the President. President Eaton said university officials will be coming to the Board in the new fiscal year with a proposal to create such a position.

President Eaton stated the consultants had recommended transferring faculty affirmative action to the Provost's Office. University officials disagreed that affirmative action activities should be reorganized; enhancing program in ways not dependent upon organizational structure. The Board Office agreed with university officials.

The consultants recommended reassigning the functions of the Brunner Gallery and Museum to the College of Design. President Eaton said university officials disagreed. The Board Office agreed with university officials

President Pomerantz asked that in the next few weeks the Board members be presented with President Eaton's proposed organizational chart. One concern he had was running the risk of so many areas reporting to the President. Whether the reporting is to the President or the Provost he didn't think the Board has many concerns about. He asked President Eaton if, when the reorganization is through, he can effectively manage.

President Eaton said he could, and referred to the organizational chart provided with the university's docket materials.

President Eaton referred to the consultant's recommendation regarding methodology for evaluation of the academic program review. He said university officials are in concurrence with the need for regular program review. This year's review of engineering generated a 3,000 page report. A new policy as of this year is to have the external review team conduct an entrance and exit interview with the Provost's Office.

Provost Glick noted that Iowa State University is the first university to require both entrance and exit interviews. This year 39 units on the campus have been reviewed. He felt it would be very helpful for the Board members to be provided with some of the materials that are reviewed to gain an understanding of the highly-insightful and critical review process. He offered to work with Dr. Barak in selecting the programs' information to be provided to the Board. President Pomerantz said that was a good idea.

Provost Glick said the consultants felt the methodology for evaluation of the academic program review should be more structured. University officials concurred and will develop that kind of policy statement.

Provost Glick referred to the consultant's recommendation regarding faculty workload study. He recognized Ed Lewis, Betty Stanley and Margaret Pickett and said they deserve a lot of credit for the extraordinary amount of effort they put forth in regard to that study. He said that two years ago there was not an Office of University Research. Peat Marwick officials recognized that faculty workload is very complex. Teaching, research and service is expected of all faculty. Faculty average 50 to 60 hours per week on their jobs. Nationally, the many studies undertaken on this subject come up with the same numbers. Peat Marwick focused in on instruction workload because it was the only thing they knew how to deal with. Workloads at Iowa State University are consistent with national workloads. Their own data show Iowa State University's is about 10 percent higher than their peers. For the University of Iowa Peat Marwick said a decentralized policy was good; for Iowa State University they said university officials should have a central workload policy. He said university officials will work on developing a workload policy. Peat Marwick officials suggested a Regentwide policy and Iowa State University officials agree that the Board Office and the universities should get together and develop those strategic indicators.

President Pomerantz asked how Iowa State University faculty are evaluated. Specifically, he wanted to know how university officials know a faculty member in a certain department is doing what he/she should be doing. Provost Glick said that is the responsibility of the deans. Deans evaluate how well their units deliver. Another way to address that issue is on promotion and tenure decisions. At those times in-depth evaluations are done of faculty members. A third way to address faculty performance is through external reviews of self-studies. On a periodic basis, every 5 to 6 years, university officials will have evaluated every faculty member although evaluations are done by the deans annually. University officials have told the deans they want more clear feedback from faculty on the salaries they receive. University officials recently appointed a committee on instructional evaluation to help work with the faculty.

Provost Glick said the purpose of tenure is not to protect the incompetent. He said every tenure is a \$2 million decision. Faculty have 6 years to carry

out their responsibilities of teaching, research and service. At the end of those 6 years many are denied tenure and told to start over. Tenure decisions start at the department level. Faculty members are asked for a dossier of all their contributions over the past 4 to 5 years. That dossier is sent out with the faculty member's publications to 3 to 6 external evaluators. The faculty member does not know the names of the evaluators. The evaluators evaluate the contributions this person has made to the discipline and are asked if they would tenure the person at their institution. The content of the response letters from the evaluators is shared with the faculty members but not the writer's name. Based on external and internal evaluations, a recommendation is made by faculty and separately by the chair. Those recommendations go to the college. The colleges have faculty review committees. All those different recommendations are brought to the provost, who meets with the Associate Provost and the President to come to a conclusion.

Provost Glick said this review process is now starting for next year. Although it is not a perfect process he said it is very good. He said that any time a faculty member comes to their 6th year and is denied tenure and is surprised, university officials have failed. University officials are working with deans and department executive officers to address the review process. Last year and this year university officials have hired new deans.

Regent Fitzgibbon asked if faculty time in the classroom was being addressed. Provost Glick said that was addressed in the Peat Marwick Main full report. They did a comparison with peer institutions and found Iowa State University is where it should be.

President Pomerantz asked how deans are evaluated. Provost Glick responded that new deans come in with an agenda to enhance undergraduate education, enhance services to the state, and to enhance scholarships. He said grants and contracts are up 300 percent.

President Eaton asked if there was agreement to allow university officials to move ahead on these recommendations. President Pomerantz said the Board would not vote on anything for 90 days; however, he did not believe there was much danger in proceeding on this.

President Eaton stated that in the process of faculty evaluations university officials do seek student opinion. They need to develop a more systematic manner of sharing that information with faculty members, department heads and deans. He said that process should work right through the upper-most levels. The Faculty Senate proposed the faculty have a chance to comment on the university President's performance. University officials concur with that request. He said the Board members will need, at some point, to determine how they wish to receive that input.

Provost Glick said there has been a change in policy this year concerning how they evaluate deans. All deans now are appointed for a term, even though all

are faculty who are tenured. The president and provost evaluate the dean no later than the 5th year of their term.

President Pomerantz referred to the question of productivity and the apparent inability to be definitive in terms of hours spent in the classroom. He asked if there was no way for the Board to deal with productivity. He said productivity is a very important quality component. The Regent institutions can't be best if there is low productivity.

Regent Fitzgibbon asked if university officials are satisfied with the number of hours spent by faculty in the classroom. Provost Glick said they are. His concern is to find ways to put more senior faculty into teaching lower division courses.

ACTION:

President Pomerantz stated the Board received the report on the status of organizational audit reports at Iowa State University and approved the recommendations as contained in the report, by general 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 presented revised budgets on two projects over \$200,000.

LeBaron Hall Addition--Center for Designing
Foods to Improve Nutrition

Original Budget \$10,000,000
Revised Budget \$ 9,952,000

Project Budget

	<u>Original Budget Jan. 1989</u>	<u>Revised Budget June 1989</u>
Construction Contract	\$ 4,504,000	\$ 4,504,000
Design Services	430,000	430,000
Construction Administration	199,000	199,000
University Services	130,000	130,000
Miscellaneous	45,000	45,000
Landscaping	20,000	20,000
Utility Extensions	259,000	259,000
Fixed Equipment	50,000	50,000
Movable Equipment	3,500,000	3,500,000
Art Work	32,500	32,500
Building Automation	65,000	65,000
Telecommunications	90,000	90,000
Reserved for Future Contracts and Contract Changes	<u>675,500</u>	<u>627,500</u>
TOTAL	\$10,000,000	\$ 9,952,000
Source of Funds:		
72nd General Assembly Academic Rev. Bonds	\$ 4,200,000	\$ 4,152,000
USDA-CSRS Grant		232,218
Pending USDA-CSRS Grant	<u>5,800,000</u>	<u>5,567,782</u>
TOTAL	\$10,000,000	\$ 9,952,000

This project was last reported to the Board at the January 1989 meeting. University officials now submitted a revised project budget showing a reduction of \$48,000 from the 72nd General Assembly Academic Revenue Bonds funding source. The \$48,000 was used for the capital project entitled "College of Home Economics--Addition," which is now complete. Also, university officials have received part of the USDA-CSRS grant previously shown as pending. The amount received from the grant is \$232,218. The pending grant source has been reduced by that amount.

Applied Sciences Center--Center for New Industrial Materials

May 1989 Budget \$6,322,000
Revised Budget \$6,352,634

Project Budget

	<u>Budget Approved May 1989</u>	<u>Revised Budget June 1989</u>
Construction Contracts	\$ 4,383,620	\$ 4,383,620
Design Services	582,475	582,475
Construction Administration	124,500	124,500
University Services	90,000	90,000
Miscellaneous	25,000	25,000
Landscaping	20,000	20,000
Utility Extensions	4,000	4,000
Fixed Equipment	15,000	15,000
Art Work	31,610	31,610
Building Automation	61,260	61,260
Telecommunications	20,000	20,000
Reserved for Future Contracts and Contract Changes	<u>964,535</u>	<u>995,169</u>
TOTAL	\$ 6,322,000	\$ 6,352,634
Source of Funds:		
Department of Energy Fund	\$ 6,000,000	\$ 6,000,000
Parking Systems	50,000	50,000
Air Force Office of Scientific Research	22,000	22,000
Overhead Reimbursement for Use of Facilities	250,000	250,000
Iowa Lottery Semiconductor Research and Development Grant	<u>30,634</u>	<u>30,634</u>
	\$ 6,322,000	\$ 6,352,634

This budget has increased \$30,634 from the last approved budget of \$6,322,000 reported in May 1989. University officials wish to increase the scope of the project to subdivide the staging area of the existing building into three rooms with concrete masonry walls in anticipation of a future clean room installation. This change in scope will be funded by the Iowa Lottery Semiconductor Research and Development Grant. Since money is available, university officials felt it was appropriate that this work be included in

this project as there are cost savings through contractor efficiencies and avoidance of future costs due to inflation.

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University officials presented a revised budget on the following project under \$200,000. This revised budget required Board approval in order to adjust the value of this property on the university's inventory.

Ag 450 Farm--Machine Storage Shed

Source of Funds: Ag 450 Operating Account

Original Budget \$19,000
Revised Budget \$22,650

Project Budget

	<u>Original Budget Jan. 1989</u>	<u>Revised Budget June 1989</u>
Purchase Order Contract	\$ 16,600	\$ 21,650
University Services	2,400	
Reserved for Future Contracts and Contract Changes	<u> </u>	<u>1,000</u>
TOTAL	\$ 19,000	\$ 22,650

This budget was increased by \$3,650 from the last approved budget of \$19,000 reported in January 1989. The increase is due to the increased size of the storage shed from a 50 foot by 70 foot building to a 50 foot by 72 foot building. Also, the cost of the building is higher than originally estimated. The Ag 450 Operating Account Fund will cover the additional cost to the project.

* * * * *

Parks Library--Replace Floor Covering on Main Stairway
 Source of Funds: Fiscal Year 1989 Building Repair Funds

	Original Budget <u>\$21,000</u>
	Revised Budget <u>\$39,450</u>
<u>Project Budget</u>	
	<u>Revised Budget June 1989</u>
Construction Contract	\$ 34,950
Design Services	1,600
Construction Administration	240
Miscellaneous	500
Reserved for Future Contracts and Contract Changes	<u>2,160</u>
TOTAL	\$ 39,450

The carpet on the main stairway of the Parks Library has been a maintenance and safety problem for several years. University officials have tried several kinds of carpet, but the tremendous volume of people on the stairway has worn through the toughest of materials in a short time.

The project budget was originally estimated at \$21,000. Design was done by university staff and the university followed standard procedures for receipt of bids. The bids received were higher than anticipated, which has now put the total budget over \$25,000. This now requires the university to report the project to the Board.

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

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ARCHITECT/ENGINEER AGREEMENTS

Amendments Reported:

<u>Ruminant Nutrition Laboratory--Remodeling for Animal Surgery and Housing</u>	<u>\$1,040.00</u>
The Durrant Group, Inc., Dubuque, Iowa	

Swine Nutrition and Management Center--Feed Preparation
and Support \$386.05
Shive-Hattery Engineers and Architects, Des Moines, Iowa

CONSTRUCTION CONTRACTS

Awarded:

Dairy Industry Addition and Renovation \$1,379,434
Award to: R. H. Grabau Construction, Boone, Iowa
(7 bids received)

CHANGE ORDERS TO CONSTRUCTION CONTRACTS

Recreation/Athletic Facility \$36,437
McHan Construction, Inc., Sioux City, Iowa

This project was last reported to the Board at the April 1989 meeting. Included in the budget for this project is movable equipment. In order to coordinate the installation of the volleyball equipment with the general purpose area floor installation, university officials requested the general contractor, McHan Construction, Inc., to provide a cost for providing and installing this equipment. McHan received prices from three vendors of volleyball equipment. Upon review of the submittals university officials have approved the volleyball equipment manufactured by Schelde/SCI at a cost of \$36,437. Although this equipment is not the lowest priced equipment, it offers a system of flexibility that allows the net to be set at many heights. This flexibility is essential for use in a general purpose facility where the same posts are to be used for volleyball, badminton, and tennis.

This change order will not require an increase in the total project budget.

Regent Fitzgibbon asked for the difference in price of the low bid and the next lowest bid. Vice President Madden said the difference was \$3,000. He noted that the equipment university officials recommend purchasing will save operating costs.

Applied Sciences Center--Center for New Industrial Materials \$30,634
Story Construction Company, Ames, Iowa

This project was last reported to the Board at the May 1989 meeting. The change in scope of the project to subdivide the staging area of the existing building into three rooms with concrete masonry unit walls is the first step toward a future clean room installation which university officials anticipate receiving funding. University officials requested the prime contractor, Story Construction Company, to provide a cost for the work. Story Construction submitted a cost of \$30,634. University officials reviewed Story Construction's proposal and found it acceptable. University officials felt it

appropriate that this work be included in this project as there are cost savings through contractor efficiencies and avoidance of future costs due to inflation.

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

Molecular Biology Building--Parking Lot
Manatt's, Inc., Ames, Iowa

Gilman Hall Renovation--Phase II--Stage II--Southeast Wing
McHan Construction Company, Sioux City, Iowa

FINAL REPORTS

<u>Science Hall--Remodeling for Laboratories</u>	<u>\$474,056.01</u>
<u>Utilities--National Soil Tilth Laboratory-- Utility Connections</u>	<u>\$65,349.13</u>
<u>Beardshear Hall--North First Floor Renovation</u>	<u>\$450,775.38</u>
<u>VMRI #1--Laboratory Renovation</u>	<u>\$219,102.58</u>
<u>Utilities--Heating Plant--Boiler No. 5--Superheater Repair</u>	<u>\$101,951.70</u>
<u>Utilities--Heating Plant--Turbine Generator No. 3 Repair</u>	<u>\$207,416.64</u>
<u>Utilities--Turbine Generator No. 4 Overhaul</u>	<u>\$288,457.32</u>
<u>Utilities--Campus Distribution Switchgear</u>	<u>\$337,123.99</u>
<u>Utilities--Wallace-Wilson Boiler Replacement</u>	<u>\$276,637.11</u>
<u>Utilities--Campus Improvements</u>	<u>\$1,172,195.97</u>

MOTION: Regent Tyler moved to approve the university's capital register. Regent Greig seconded the motion, and it carried with Regent Berenstein abstaining.

APPROVAL OF LEASES. The Board Office recommended the Board (1) approve leases:

with SPECTROCHROM, LTD. for their use of approximately 1,286 square feet of space (Suites 611 and 612) in the Iowa State Innovation System (ISIS) Center at the Iowa State University Research Park Corporation building at 2501 North Loop Drive, Ames, for a period of 12 months commencing June 15, 1989 at a monthly rental of \$964.50;

with TELFAX COMMUNICATIONS for their use of approximately 275 square feet of space (Suites 603 and 608) in the ISIS Center located in the Iowa State University Research Park at 2501 North Loop Drive for a period of six months commencing June 1, 1989, at a monthly rental of \$171.88;

with UNIVERSITY SYSTEMS TECHNOLOGY for their use of approximately 514 square feet of space (Suite 614) in the ISIS Center located at the Iowa State University Research Park at 2501 North Loop Drive for a period of seven months commencing June 1, 1989, at a monthly rental of \$321.25;

with the CITY OF AMES for the use by the city of an additional 0.544 acres of ground near the Bus Maintenance Facility on the university campus adjoining the present leased facility, exact legal description contained in the lease to govern, at no change in the other terms and conditions of the lease approved July 27, 1982;

with NORTHEAST IOWA AGRICULTURAL EXPERIMENTAL ASSOCIATION for the use of 160 acres of farmland in O'Brien County near the existing research site, commencing immediately and continuing through the expiration of the present lease agreement, February 28, 1995, with an annual rent equivalent to the taxes and insurance due and payable on the property each year.

- (2) Defer action on the proposed lease for the benefit of Iowa State University with the NEWELL HISTORICAL SOCIETY for their use of the Allee Mansion located in Newell, Iowa (Buena Vista County) for a term of ninety-nine years at a rent of \$1.00 per year with certain provisions for a future sale of the property to the society; and
- (3) Approve the concept for the purchase for the benefit of Iowa State University of an administrative office for the Northwest Iowa Research Center at a cost of approximately \$50,000 plus finishing costs to be completed on or about January, 1990.

Director Wright explained the reasons why the Board Office recommended deferral on the Newell Historical Society lease and indicated Vice President Madden had additional information on this item for the Board.

Vice President Madden referred to the Board Office recommendation regarding the Newell Historical Society lease. He said the university has been operating the mansion since 1958. The mansion was built in the late-1800s and is currently not occupied. The property will be insured for \$96,000. University officials believe it is appropriate to lease the property for a museum and community development. Mr. Madden felt it was not clear that having an appraisal will help make the decision to lease. He said if the Board members wanted university officials to spend the money for an appraisal, they would do so.

MOTION: Regent Fitzgibbon moved to approve the recommended action, and added the Newell Historical Society lease to those recommended for approval. Regent Berenstein seconded the motion.

Regent Fitzgibbon stated it should be funded sufficiently in case the whole thing fell apart.

Vice President Madden stated the project was in conjunction with the town's centennial.

President Pomerantz asked if the project would end after the centennial. Vice President Madden said it would continue to operate.

Regent Greig said he felt the proposal would be great for the university and the community.

Regent Hatch asked if funds will be escrowed to make sure the property is kept up. Vice President Madden stated the agreement specifies that the historical society assumes that responsibility.

President Pomerantz said university officials were dealing with a quasi-community agency and were gambling that the agency will live up to its agreement. He questioned whether there is a reversionary clause in the agreement. He said he doubted funds would be escrowed to ensure performance.

Vice President Madden noted that the community has been informed it will qualify for a Department of Economic Development grant.

VOTE ON THE MOTION: The motion carried unanimously.

BUDGET FOR 1989-90 - FINAL. The Board Office recommended the Board:

- (1) Receive the Iowa State University General University detailed operating budget for fiscal year 1990 with final approval scheduled in July.

General University	\$202,920,736
Agriculture and Home Economics Experiment Station	21,399,721
Cooperative Extension Service	<u>23,111,988</u>

TOTAL \$247,432,445

- (2) Receive the detailed budget for the University Residence System for fiscal year 1990 with final approval scheduled in July.

- (3) Receive the detailed Athletic Council budget for fiscal year 1990 Intercollegiate Athletics with final approval scheduled in July.

The changes from the preliminary operating budget include a reduction in appropriations of \$325,000 due to the veto of library automation, an increase in student fees of \$124,000 allocated to Memorial Union operations, and a decrease in sales and service income of \$379,000. Sales and service income is affected by an estimated increase in revenues of \$175,000 which is offset by a reduction of \$554,000 due to the animal science teaching farms being established as a self-supporting fund.

Proposed General University Operating Budget of \$202.9 million for fiscal year 1990 represents an increase of 7.3 percent over the fiscal year 1989 operating budget.

The most significant increase in instructional budgets are in Family and Consumer Science (18.2 percent), Business (13.1 percent), and Veterinary Medicine (10.4 percent).

University officials anticipate a minimum 10 percent salary adjustment for faculty. This will be accomplished through a combination of state appropriations, tuition revenue and internal reallocation.

The state appropriation is \$133.5 million and represents 66 percent of total revenues for the General University.

The legislature earmarked \$200,000 of the appropriation to Iowa State University for undergraduate education. Most of those funds will be used to provide additional faculty in the Colleges of Business and Design where high numbers of students were being closed out of their requested courses; \$50,000 will be used to provide operating support for microcomputing laboratories.

Iowa State University received \$390,000 in state appropriations for three minority recruitment programs. The university will use the funds for minority academic grants, student outreach efforts and minority and women educator's enhancements as directed in the legislation.

As a result of Board discussion in May, the budget of the Western Iowa Board of Regents Center in Atlantic will be maintained at its current level.

The proposed detailed operating budget for the Agricultural and Home Economic Experiment Station for fiscal year 1990 is \$21.4 million. This is 18.5 percent above the fiscal year 1989 revised budget and is due to a \$2 million appropriation for agricultural research.

The detailed operating budget for the Cooperative Extension Service for fiscal year 1990 is \$23.1 million. This is an increase of 9.4 percent over the revised fiscal year 1989 budget.

In March the Board approved the preliminary residence system budget subject to further review and action when university operating budgets are approved for fiscal year 1990. The changes from the preliminary budget include increases in salaries, wages and benefits of \$272,004, an increase in other operating expenses of \$50,451, and an increase in repairs and maintenance of \$54,368.

The Iowa State University Intercollegiate Athletic Budget for fiscal year 1990 is presented in the amount of \$9,193,000 reflecting an increase of \$883,000 over fiscal year 1989. The increase is due primarily to necessary capital improvements and debt service.

ACTION: President Pomerantz stated the Board deferred action on this item.

SPECIAL STUDENT FEES - 1989-90. The Board Office recommended the Board approve the university's proposed student activity fee allocations for FY 1990.

Student activity fees are allocated from the annual tuition rates already approved by the Board of Regents. These fees are not assessed in addition to the annual tuition charge to the students. They represent an earmarked portion of the total tuition charge and are developed by each university in consultation with its students.

University officials proposed a total increase in the annual student activity fee of 7 percent, an increase from \$168.18 per year for 1988-89 to a proposed \$179.96 for 1989-90. This increase matches the resident tuition increase approved by the Board.

Two major increases in individual allocations were sought -- a 20 percent increase in the Recreation Facility reserve fee and an 11 percent increase in fees for the Memorial Union operation. The latter is the largest fee assessed at \$39.06 annually.

An 8 percent semester increase is sought for the Government of the Student Body activity fund. This fee is proposed at \$35.22 annually.

MOTION: Regent Hatch moved to approve the university's proposed student activity fee allocations for FY 1990. Regent Williams seconded the motion, and it carried unanimously.

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

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday, June 21, 1989.

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

Register of Personnel Changes for May 1989.

ACTION: President Pomerantz stated the Board ratified the university's personnel transactions as a consent item.

OTHER PERSONNEL TRANSACTIONS. The university requested that the Board approve the appointments as outlined below:

JOHN W. SOMERVILL as Dean of the Graduate College effective July 1, 1989, at an annual salary of \$75,000;

HERBERT D. SAFFORD as Director of the University Library and Professor with tenure, effective July 31, 1989, at an annual salary of \$70,500;

RUTH B. ANDERSON as Professor Emerita and Acting Head of the Department of Social Work for the 1989-90 academic year at a salary of \$15,000;

ROGER A. KUETER as Professor with tenure and Acting Head of the Department of Curriculum and Instruction for the 1989-90 academic year at a salary of \$49,430; and

BARRY J. WILSON as Associate Professor with tenure and Acting Head of the Department of Educational Psychology and foundations for the 1989-90 academic year at a salary of \$41,240.

In accordance with the Procedural Guide Section 4.05A, secretaries, affirmative action officers and treasurers shall be nominated annually by the executive heads of the institutions. The following nominations were made for the coming year:

JOHN CONNER as University Treasurer for the fiscal year beginning July 1, 1989, at an annual salary of \$92,500;

GARY SHONTZ, Controller, as University Secretary for the fiscal year beginning July 1, 1989, at an annual salary of \$50,470; and

WINSTON BURT as Affirmative Action Officer for the fiscal year beginning July 1, 1989, at an annual salary of \$48,964.

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

POST-AUDIT REVIEWS. The Board Office recommended the Board refer this matter to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

University of Northern Iowa officials submitted its post-audit reports on two programs as required by Board policy. Both programs are considered to be meeting objectives established by the university even though enrollment in one program is less than projected.

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

ESTABLISHMENT OF CENTER FOR MINORITIES IN EDUCATION.

University of Northern Iowa officials requested the Board approve a request to establish a Center for Minorities in Education in the College of Education at the University of Northern Iowa.

Mr. Richey stated that since the use of institutional funds for this center will not exceed \$25,000 per year the Board was only required to receive the information.

ACTION: President Pomerantz stated the Board approved the request to establish a Center for Minorities in Education in the College of Education at the University of Northern Iowa by general 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 presented five new projects with budgets of less than \$200,000 that will be initiated in the coming months. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university.

* * * * *

ARCHITECT/ENGINEER AGREEMENTS

Amendments Reported:

<u>Classroom-Office Building</u> Hansen Lind Meyer, Iowa City, Iowa	<u>\$2,244.02</u>
<u>Latham Hall Renovation</u> Stenson Warm Grimes Port, Waterloo, Iowa	<u>\$4,955.07</u>

CONSTRUCTION CONTRACTS

Awarded:

<u>Southeast Campus Entrance Improvement</u> Award to: Cardinal Construction Company, Waterloo, Iowa (6 bids received)	<u>\$51,680.00</u>
<u>Gilchrist--East Parking Lot Improvements</u> Award to: Cunningham Construction Company, Inc., Cedar Falls, Iowa (2 bids received)	<u>\$53,786.87</u>

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

FINAL BUDGET, 1989-90. The Board Office recommended the Board defer action on University of Northern Iowa final operating budget to the July meeting.

University of Northern Iowa officials did not submit final operating budget documentation to the Board Office for review in sufficient time for presentation to the Board of Regents at this meeting.

ACTION: President Pomerantz stated the Board deferred action on University of Northern Iowa final operating budget to the July meeting by general consent.

RESIDENCE SYSTEM FUND TRANSFER. The Board Office recommended the Board approve a proposed transfer of \$600,000 to the dormitory improvement fund from the dormitory surplus fund.

The Residence System dormitory improvement fund provides for major repairs, replacements, and renovations to the university residence system. Existing bond resolutions require a mandatory transfer of \$250,000 per year from operating revenues to the dormitory improvement fund. The mandatory transfer specified in the bond resolution is generally not adequate to cover the cost of dormitory renovation and capital improvement projects.

University of Northern Iowa officials requested approval of a proposed transfer of \$600,000 from the dormitory surplus fund to the dormitory improvement fund. The April 30, 1989, surplus fund balance was approximately \$4.2 million.

MOTION:

Regent Williams moved to approve a proposed transfer of \$600,000 to the dormitory improvement fund from the dormitory surplus fund. Regent Furgerson seconded the motion, and it carried unanimously.

STUDENT ACTIVITY FEES. The Board Office recommended the Board approve the university's proposed student activity fee allocations for FY 1989-90 and summer session 1989.

Student activity fees are allocated from the annual tuition rates already approved by the Board of Regents. These fees are not assessed in addition to the annual tuition charge to the students. They represent an earmarked portion of the total tuition charge and are developed by each university in consultation with its students.

The proposed aggregate increase in student activity fees for 1989-90 is 7 percent, an increase from \$119.20 per year for 1988-89 to \$127.50 for 1989-90. This increase matches the resident tuition increase approved by the Board.

Three major increases in individual allocations were reported--a 40 percent increase in the student health fee, a 20 percent increase for the building fund for student activity, and a 15 percent increase in campus recreation.

The largest fees continue to be assessed for intercollegiate athletics (\$36 per student/per semester) and the fieldhouse (\$12.50 per student/per semester).

Director Eisenhower stated that University of Northern Iowa officials consulted with the students.

President Curris introduced Richard Stinchfield to give a brief presentation as requested by the Board last year.

Assistant to the President Stinchfield stated that last year when the Board approved the student activity fee allocations it requested that plans to support additional capital construction with the student activity building fund be discussed. The fees accumulating in this account are targeted to contribute to the amount necessary to build the Recreation/Wellness Center that is at the top of the university's capital priority list. The building will be 140,000 square feet in size and will combine teaching and research areas for the School of Health, Physical Education and Recreation with one-third of the building devoted to student recreation areas. It is the portion of the Center that will be devoted to student recreation that can be appropriately funded by students. He said this is not a physical education building but is a wellness facility.

Assistant to the President Stinchfield stated that roughly one-half of all medical costs are lifestyle related. He said Johnson and Johnson, a leader in corporate wellness, has increased expenditures on its wellness program every year since 1982, while at the same time the cost-benefit ratio has increased.

The University of Northern Iowa has positioned itself to play a lead role in making wellness an integral part of the development of students on the campus. The core of this initiative is the inclusion of a wellness component in the new general education requirements.

Mr. Stinchfield said the wellness component contains stress reduction, nutrition and fitness. The School of Health, Physical Education and Recreation has made wellness the thread that runs through all its degree programs which currently serve almost 500 majors. When university officials polled the students they found that only 24 percent rated their health as excellent. Ninety-one percent said they were motivated to improve their health. He said the building will provide a focus for wellness. The campus at present has terribly crowded recreation spaces. He said this building will make their vision a reality.

President Pomerantz asked for the amount of the capital request for this project. Assistant to the President Stinchfield said it would be \$13 million to \$13-1/2 million.

President Curris stated there has been some scaling back from the preliminary plans. They estimated \$4-1/2 million would be needed for the recreation portion of the building. Of the total project costs, \$9 million to \$9-1/2 million would be appropriated funds and the balance would be student

fees. Of the building usage, two-thirds would be instructional and one-third recreational.

MOTION:

Regent Berenstein moved to approve the university's proposed student activity fee allocations for FY 1989-90 and summer session 1989. Regent Hatch seconded the motion, and it carried unanimously.

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 21, 1989.

REGISTER OF PERSONNEL CHANGES. The Board Office recommended the Board approve the Register of Personnel Changes for April 1989.

ACTION: President Pomerantz stated the Board approved the Register of Personnel Changes for April 1989 as a consent item.

APPROVAL OF DESIGNATED HOLIDAYS FY 90. The Board Office recommended that the Board approve the school's holiday calendar for July 1, 1989, through June 30, 1991.

The proposed holiday schedule for employees for the period July 1, 1989, through June 30, 1991, was based on the provisions of the state's 1989-91 collective bargaining agreements.

MOTION: Regent Williams moved to approve the school's holiday calendar for July 1, 1989, through June 30, 1991. Regent Tyler seconded the motion, and it carried unanimously.

APPROVAL OF APPOINTMENTS. The Board Office recommended that the Board approve appointments as outlined below:

In accordance with the Procedural Guide Section 4.05A, secretaries, affirmative action officers and treasurers shall be nominated annually by the executive heads of the institutions. The following nominations were made for the coming year:

BILLI AHERNS as Treasurer for the fiscal year beginning July 1, 1989;

CAROLYN MORTENSEN as Secretary for the fiscal year beginning July 1, 1989;
and

KEVIN T. WILLIAMS as Affirmative Action Officer for the fiscal year beginning July 1, 1989.

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

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

School officials reported one construction contract awarded by the Executive Director:

<u>Asbestos Abatement Project</u>	<u>\$59,848</u>
Award to: Enviro Safe Air, Inc., Sioux City, Iowa (3 bids received)	

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

APPROVAL OF FY90 OPERATING BUDGET. The Board Office recommended the Board receive the fiscal year 1990 detailed budget of \$5,874,768 for the Iowa School for the Deaf with final approval scheduled for July.

Within the salary category expenditure funds are shifted from the professional and scientific staff category to the facility and institutions officials salary category due to reclassifying three positions.

Iowa School for the Deaf officials proposed a budget for fiscal year 1990 of \$5,874,768. This is an increase of 8.9 percent or \$478,168 from the revised fiscal year 1989 budget. This increase will be applied to salaries and utilities.

Faculty salaries will increase an average of 8.9 percent plus 1.1 percent professional development assistance.

Appropriations are about 98 percent of expected revenue for fiscal year 1990 and are expected to increase by \$478,168.

The non-salary expenditures budgeted for fiscal year 1990 are expected to decrease by \$67,642 from the revised fiscal year 1989 budget. An inflation increase of about 4.5 percent is included.

School officials expect about ten new students in the lower grades and will be developing programs and staff to accommodate the increase.

School officials expect to work with the Iowa Braille and Sight Saving School regarding the Southwest Iowa Deaf-Blind students and the retention of a consultant to concentrate efforts in this area.

MOTION: Regent Tyler moved to receive the fiscal year 1990 detailed budget of \$5,874,768 for the

Iowa School for the Deaf with final approval scheduled for July. Regent Furgerson seconded the motion, and it carried unanimously.

APPROVAL OF LEASES FOR FY'90. The Board Office recommended the Board approve leases, as follows:

with JOHN BALK for his use of the residence and garage at 2905 Valley View Drive, for a period of one year commencing July 1, 1989 and ending June 30, 1990, at a monthly rent of \$85;

with WALTER HINES for his use of the single family residence and garage at 2901 Valley View Drive for a period of one year commencing July 1, 1989 and ending June 30, 1990, at a monthly rent of \$85;

with RICHARD CONNELL for his use of the single family residence and garage at 2627 Valley View Drive for a period of one year commencing July 1, 1989 and ending June 30, 1990, at a monthly rent of \$85;

with DAVE SLAUGHTER for his use of the two bedroom apartment with garage at 2915-A Valley View Drive at a monthly rental of \$150;

with MELODEE HIELEN for her use of the two bedroom apartment with garage at 2915-B Valley View Drive at a monthly rental of \$150;

with DANIEL STEVENS for his use of the two bedroom apartment with garage at 2815-D Valley View Drive for a period of one year commencing July 1, 1989 and ending June 30, 1990 at a monthly rental of \$150;

with DEAN MITCHELL for his use of the two bedroom apartment with garage at 2815-C Valley View Drive for a period of one year commencing July 1, 1989 and ending June 30, 1990 at a monthly rental of \$150; and

with various school employees for the use of single garage spaces (nine) at a monthly rental of \$16, as available and as requested.

Regent Berenstein questioned why the individual apartment leases were presented to the Board for approval when that wasn't done for the larger institutions. Mr. Richey said the Board Office receives a list of the individual apartments for the larger institutions to back up what is presented to the Board. He said staff could leave the individual leases off what is presented to the Board. President Pomerantz stated that occasionally a Board member will question a lease; therefore, he felt it was good to have the information.

MOTION:

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

AYE: Berenstein, Fitzgibbon, Furgerson, Greig, Hatch, Pomerantz, Tyler, Westenfield, 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 21, 1989.

RATIFICATION OF ACTIONS REPORTED IN THE REGISTER OF PERSONNEL CHANGES. The Board Office recommended the Board approve the Register.

ACTION: President Pomerantz stated the Board approved the Register for April 30 through May 27, 1989, as a consent item.

APPOINTMENT OF SECRETARY-TREASURER AND AFFIRMATIVE ACTION OFFICER. The Board Office recommended that the Board approve appointments as outlined below.

In accordance with the Procedural Guide Section 4.05A, secretaries, affirmative action officers and treasurers shall be nominated annually by the executive heads of the institutions. The following nominations were made for the coming year:

SCOTT R. HAUSER as Secretary-Treasurer for the fiscal year beginning July 1, 1989, and ending June 30, 1990; and

SHERRYL I. CRADDOCK as Affirmative Action Officer for the fiscal year beginning July 1, 1989, and ending June 30, 1990.

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

PROVISION OF ORIENTATION AND MOBILITY CONSULTATION SERVICES TO STUDENTS IN PUBLIC SCHOOLS. The Board Office recommended that the Board (1) authorize the school to provide orientation and mobility consultation services for the benefit of visually impaired students in public schools in the state and (2) authorize the school to hire a consultant for this purpose.

School officials identified that there are at least 308 visually-impaired students in the state. There are not sufficient staff available to assist students in orientation and mobility training.

School officials wish to provide consultative services to the students and local school staff to enhance orientation mobility training available to students in the public schools.

The new position would be created with funds from a combination of savings from a deleted position and funds from the Department of Education.

Superintendent Thurman introduced Dr. Ian Stewart.

Dr. Stewart stated that orientation and mobility training is travel training for the blind which is a skill that is critical for blind persons. The ability to travel freely affects self concept and future employment. At present, there is only one orientation and mobility teacher in the state who is qualified for certification in that subject area.

Regent Hatch said it was her understanding that the area education agencies are required to pay for orientation and mobility instruction. She asked if school officials envisioned some sort of contractual arrangement so they could receive compensation. Dr. Stewart expected this position to be funded through the Department of Education. It currently funds the institution for a half-time position.

Regent Hatch asked if Iowa Braille officials had received assurances of funding. Superintendent Thurman stated this position is a consultant position which the state is already paying for. School officials envision that the person in this position will help set up orientation and mobility programs at the Area Education Agencies. School officials will bring in the future proposals for funding once the program begins to grow.

Regent Hatch asked if the person in this position will be training people. Superintendent Thurman said he did not know yet. There are 300 visually-impaired children in the state. Once school officials get an idea of what the needs are they will be make recommendations. They will be trying to put together a number of configurations.

Regent Berenstein asked for the salary for this position. Superintendent Thurman stated that the minimum qualifications for this positions are a Master's degree and 3 years experience. The salary will be \$28,950 plus benefits.

MOTION:

Regent Williams moved to (1) authorize the school to provide orientation and mobility consultation services for the benefit of visually impaired students in public schools in the state and (2) authorize the school to hire a consultant for this purpose. Regent Fitzgibbon seconded the motion, and it carried unanimously.

APPROVAL OF FINAL OPERATING BUDGET AND PARENT MILEAGE REIMBURSEMENT RATE FOR FY 1989-90. The Board Office recommended the Board (1) receive the detailed

fiscal year 1990 budget of \$3,395,964 for the Iowa Braille and Sight Saving School with final approval in July and (2) approve the parent mileage reimbursement rate for fiscal year 1990.

Iowa Braille and Sight Saving School officials proposed a budget for fiscal year 1990 of \$3,395,964. This is an increase of 9.1 percent, or \$282,402 from the fiscal year 1989 budget.

The preliminary budget has an increase of \$436,113 for salary expenditures. Salary increase will average approximately 8.9 percent plus 1.1 percent professional development assistance for faculty.

The non-salary expenditures budgeted for fiscal year 1990 are expected to decrease by \$153,711 from the revised fiscal year 1989 budget.

An inflation increase of 3.5 percent is included in the detailed budget.

Appropriations are over 93 percent of all school revenue. The appropriated funds are expected to increase by \$299,853, or 10.4 percent this fiscal year. All other sources are expected to decrease by \$17,451.

Iowa Braille and Sight Saving School officials proposed a parent mileage reimbursement of 21 cents per mile. This is unchanged from fiscal year 1989 and is consistent with statutory requirements.

MOTION:

Regent Williams moved to (1) receive the detailed fiscal year 1990 budget of \$3,395,964 for the Iowa Braille and Sight Saving School with final approval in July and (2) approve the parent mileage reimbursement rate for fiscal year 1990. Regent Furgerson seconded the motion, and it carried unanimously.

APPROVAL OF SERVICE CONTRACTS. The Board Office recommended that the Board approve contracts for services as follows --

- 1) with VIRGINIA GAY HOSPITAL, Vinton, for Physical Therapy Services at a rate of \$26.25 per hour of service, not to exceed four hours per week;
- 2) with KAREN RANDALL, OTR, to provide Occupational Therapy Services at a rate of \$26.25 per hour, not to exceed four hours per week; and
- 3) with DR. SHERMAN L. ANTHONY, Vinton, for medical services at a base fee of \$1,890 for the 1989-90 school year and an examination fee of \$20 for each student examined or administered service at the school or at the Vinton Clinic.

The agreement with Virginia Gay Hospital will provide physical therapy services to students for the 1989-90 school year at a cost of \$26.25 which is 5 percent above the current charge.

With the renewal of the agreement with Ms. Randall occupational therapy services will be provided at the school for the 1989-90 academic year at an hourly rate of \$26.25 which is 5 percent above the current hourly rate. This is the first increase in this agreement in two years.

The agreement with Dr. Anthony for medical services for students provides for a base fee of \$1,890 for the 1989-90 school year, an increase of 5 percent over the current agreement. The cost of \$20 for each student examined is the same as in the current agreement.

Provision of these services is a partial fulfillment of federal and state regulations for school services for handicapped students.

Regent Tyler asked to vote on each contract separately.

MOTION: Regent Greig moved to approve renewal of the occupational therapy contract. Regent Tyler seconded the motion, and it carried unanimously.

MOTION: Regent Tyler moved to approve renewal of the physical therapy contract. Regent Greig seconded the motion, and it carried unanimously.

MOTION: Regent Fitzgibbon moved to approve renewal of the professional medical services contract. Regent Hatch seconded the motion, and it carried with Regents Greig and Tyler voting "no".

APPROVAL OF LAUNDRY SERVICES CONTRACT. The Board Office recommended the Board approve a laundry services contract with the Iowa Mental Health Institute, Independence, Iowa, as vendor.

The Iowa Braille and Sight Saving School phased out its own laundry operations as approved at the March 1988 Board meeting.

The proposed contract is with the Iowa State Mental Health Institute at Independence, Iowa, and will utilize available laundry servicing capacity at that institution. The current contract expires on June 30, 1989.

Net savings from operating in-house laundry operation to purchasing the service is approximately \$30,000 per year.

MOTION: Regent Berenstein moved to approve a laundry services contract with the Iowa Mental Health Institute, Independence, Iowa, as vendor. Regent Furgerson seconded the motion, and it carried unanimously.

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

with BENTON COUNTY EXTENSION OFFICE for their use of approximately 1,706 square feet of basement space in Palmer Hall on the school's campus, for a period of one year commencing July 1, 1989 at an annual rental rate of \$3,280;

with BENTON COUNTY OPPORTUNITIES, INC. for their use of approximately 1,507 square feet of space located in the Cottage on the school's campus for a period of one year commencing July 1, 1989 at an annual rental of \$2,812;

with HAPPY TIME CHILD DEVELOPMENT CENTER for their use of approximately 2,604 square feet of space in the Cottage located on the school's campus for a period of one year commencing July 1, 1989, at an annual rental of \$3,792;

with KIRKWOOD COMMUNITY COLLEGE for their use of approximately 1,925 square feet of space in the Old Hospital Building on the school's campus, for a period of one year commencing July 1, 1989 at an annual rental rate of \$3,360; and

with VINTON COMMUNITY SCHOOLS for their use of approximately 3,118 square feet of space in the basement of Palmer Hall for a period of one year commencing July 1, 1989 at an annual rental of \$4,100.

MOTION: Regent Williams moved to approve leases, as presented. Regent Hatch seconded the motion, the roll being called, the following voted:
AYE: Berenstein, Fitzgibbon, Furgerson, Greig, Hatch, Pomerantz, Tyler, Westenfield, Williams.
NAY: None.
ABSENT: None.

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

EXECUTIVE SESSION. President Pomerantz requested the Board enter into closed session upon the request of an employee whose performance is being considered, pursuant to the Code of Iowa Section 21.5(1)(i).

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

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 7:30 a.m. on Thursday, June 22, 1989, and arose therefrom at 9:25 a.m. on that same date.

EXECUTIVE SESSION. President Pomerantz asked for a motion to allow the Board of Regents to begin its meeting on Tuesday, July 25, 1989, in closed session upon requests from several employees whose performance is being considered.

MOTION: Regent Berenstein moved to begin the July 25 Board of Regents meeting in executive session. Regent Furgerson seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Fitzgibbon, Furgerson, Greig, Hatch, Pomerantz, Tyler, Westenfield, Williams.
NAY: None.
ABSENT: None.

President Pomerantz expressed very warm appreciation for an excellent job done at this meeting. He hoped that in the last 2 days they had managed to "quiet the water" concerning the report on unnecessary duplication. They all have the same mission and same goals. He said there will be some opportunities for disagreement when they get nearer to the end of this process but he was confident they could work out their differences.

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 3:40 p.m., on Thursday, June 22, 1989.


R. Wayne Richey
Executive Secretary