

The State Board of Regents met on Wednesday, June 22 and Thursday, June 23, 1988, in Sioux City. The following were in attendance:

	<u>June 22</u>	<u>June 23</u>
<u>Members of State Board of Regents</u>		
Mr. Pomerantz, President	Excused	Excused
Mr. Duchon	All sessions	All sessions
Mr. Fitzgibbon	All sessions	All sessions
Mr. Greig	All sessions	All sessions
Dr. Harris	All sessions	All sessions
Mr. Tyler	All sessions	All sessions
Miss VanEkeren	All sessions	Excused
Mr. VanGilst	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 True	All sessions	All sessions
Director Wright	All sessions	All sessions
Assistant Director Peters	All sessions	All sessions
Minutes Secretary Briggle	All sessions	All sessions
<u>State University of Iowa</u>		
President Remington	All sessions	Excused at 10:19 a.m.
Vice President Hubbard	All sessions	Excused at 10:19 a.m.
Vice President Phillips	All sessions	Excused at 10:19 a.m.
Associate Vice President Moll	All sessions	Excused at 10:19 a.m.
Associate Vice President Small	All sessions	Excused at 10:19 a.m.
Assistant to President Mears	All sessions	Excused at 10:19 a.m.
Assistant Vice President Rhodes	All sessions	Excused at 10:19 a.m.
Director Cooper	All sessions	Excused at 10:19 a.m.
Director Gibson	All sessions	Excused at 10:19 a.m.
Director Stork	All sessions	Excused at 10:19 a.m.
<u>Iowa State University</u>		
President Eaton	All sessions	All sessions
Exec. Vice President McCandless	All sessions	All sessions
Vice President Madden	All sessions	All sessions
Treasurer Thompson	All sessions	All sessions
Assistant to President Bradley	All sessions	All sessions
Director Lentz	All sessions	All sessions
Assistant to Vice President Pickett	All sessions	All sessions
<u>University of Northern Iowa</u>		
President Curris	All sessions	Excused at 10:29 a.m.
Provost Martin	All sessions	Excused at 10:29 a.m.
Vice President Conner	All sessions	Excused at 10:29 a.m.
Exec. Ass't. to Pres. Stinchfield	All sessions	Excused at 10:29 a.m.
Director Chilcott	All sessions	Excused at 10:29 a.m.
<u>Iowa School for the Deaf</u>		
Superintendent Johnson	All sessions	Excused at 10:55 a.m.
Business Manager Baer	All sessions	Excused at 10:55 a.m.
<u>Iowa Braille and Sight Saving School</u>		
Superintendent Thurman	All sessions	Excused at 10:50 a.m.
Director Hauser	All sessions	Excused at 10:50 a.m.

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday, June 22 and Thursday, June 23, 1988.

Acting President Harris stated that President Pomerantz was out of the country, and had asked him to preside over this meeting.

On behalf of the Board, Board Office, Executive Secretary and institutional officials, Acting President Harris expressed a very warm and sincere thank you to those responsible for the Regents being able to meet in Sioux City.

APPROVAL OF MINUTES OF BOARD MEETING, MAY 25, 1988.

Acting President Harris asked for corrections, if any, to the Minutes.

MOTION:

Regent Tyler moved approval of the Minutes of the May 25, 1988, meeting. Regent VanEkeren seconded the motion, and it carried unanimously.

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

REPORT OF INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. a)
Annual Report of Committee on Educational Relations. The Board Office recommended the Board receive the annual report of the Regent Committee on Educational Relations 1987-88.

The committee reported that it met seven times during the 1987-88 academic year. The principal activities of the committee this year were addressing the priority issues of the Board of Regents concerning admission of students and articulation. The committee also continued to visit the area schools with the Department of Education and participated in the annual evaluation of the merged area schools.

With respect to admission of students, the Regent committee studied the impact of the new course admission requirements. It reported to the Board in December and has prepared another report that is currently under review by the Regent study group on admissions.

GENERAL
June 22-23, 1988

With respect to articulation, the committee reported several activities including the fourth annual articulation conference with representatives from educational associations. The topics for the meeting included "Impact of the Admission Requirements on Local School Districts;" "Financing a College Education;" and "Increasing Minority Participation in Postsecondary Education." The results of this meeting are included in the report noted above that is under review by the Regent study group on admissions.

The Educational Relations Committee also held a conference on writing at the University of Northern Iowa that was sponsored by the Deans of Arts and Sciences Division of the area schools and the Regent universities. Over sixty postsecondary faculty attended, including representatives from all of the merged area schools. This is the fourth such conference. Next year conferences are planned for mathematics/computer science and social sciences.

Vice President Martin introduced Robert Leahy, University of Northern Iowa Registrar and member of the Committee on Educational Relations.

Director Barak distributed copies of a poster developed by the three universities that illustrated the admissions standards at the Regents universities. Vice President Martin said the graphic illustration would be very helpful to students' understanding of the new admission requirements.

Acting President Harris thanked Mr. Leahy and the committee members.

ACTION: Acting President Harris stated the Board received the annual report of the Regent Committee on Educational Relations 1987-88 by general consent.

b) Area Schools Approvals. The Board Office recommended the Board approve the area school recommendations of the Regent Committee on Educational Relations and the Iowa Department of Education.

The recommendation of "continuation of approval - to be revisited by an evaluation team during the 1996-97 school year" was granted for the following institutions:

- Merged Area I - Northeast Iowa Technical Institute (Calmar)
- Merged Area II - North Iowa Area Community College (Mason City)
- Merged Area III - Iowa Lakes Community College (Estherville)
- Merged Area IV - Northwest Iowa Technical College (Sheldon)
- Merged Area V - Iowa Central Community College (Fort Dodge)
- Merged Area VI - Iowa Valley Community College District (Marshalltown)
- Merged Area X - Kirkwood Community College (Cedar Rapids)
- Merged Area XI - Des Moines Area Community College (Ankeny)
- Merged Area XII - Western Iowa Tech Community College (Sioux City)

GENERAL
June 22-23, 1988

Merged Area XIV - Southwestern Community College (Creston)
Merged Area XV - Indian Hills Community College (Ottumwa)
Merged Area XVI - Southeastern Community College (Burlington)

The recommendation of "Continuation of approval - the present period of approval terminates at the end of the 1987-88 school year. The Joint Committee recommended another ten year period of approval based on the satisfactory progress identified during the annual visitation of the 1987-88 school year." was granted for the following institutions:

Merged Area VII - Hawkeye Institute of Technology (Waterloo)
Merged Area IX - Eastern Iowa Community College District (Davenport)
Merged Area XIII - Iowa Western Community College (Council Bluffs)

Vice President Martin introduced Mr. Leahy and Charles Moench, Chief, Bureau of Area Schools of the Department of Education, who were involved in the area schools review.

Mr. Leahy stated that members of the Regents committee as well as a librarian of one of the Regent universities were represented on the visits to the area schools. He said it turned out to be a very profitable experience for everyone.

Dr. Moench thanked the Board of Regents and the Regent institutions for continuing to work with the Department of Education for the approval of the area schools. They had been very helpful and the area colleges were appreciative of the efforts. He said the area schools approval process is a unique situation in Iowa in that it takes the approval of the Board of Education as well as the Board of Regents. He said that process has worked very well. There is a good working relationship between the two sectors which has had a positive impact on the flow of students between the two- and four-year schools.

Acting President Harris thanked Vice President Martin, Mr. Leahy, Mr. Moench and the Interinstitutional Committee members for their work.

Regent Tyler asked if the approval process was a meaningful exchange or just "paperwork".

Mr. Leahy responded that the process provides contact between the two sectors of education. He said that although there is a lot of paperwork involved, the people who make the visits find it very worthwhile.

Regent Greig said there seems to be a continual problem in the transfer of credits from two-year to four-year institutions, and asked if there could be more coordination in the transfer.

GENERAL
June 22-23, 1988

Mr. Leahy responded that there is more coordination going on than is sometimes given credit. The Regent universities have each designated a representative of their institutions as a contact person for the area schools. A committee has been created to function as liaison for transfer students and meets every other month. Mr. Leahy said that although there is still a need for continued improvement, there has been great improvement over the last twenty years.

MOTION: Regent Duchen moved to approve the area school recommendations of the Regent Committee on Educational Relations and the Iowa Department of Education. Regent Greig seconded the motion, and it carried unanimously.

c) University of Iowa - Connie Belin National Center for Gifted Education.
The Board Office recommended the Board approve the establishment of the Connie Belin National Center for Gifted Education at the University of Iowa.

Legislation passed by the 1988 Iowa General Assembly specified that the Iowa Board of Regents establish a national center at the University of Iowa focusing on the area of gifted and talented education.

The proposed center has been reviewed by the Interinstitutional Committee and the Interinstitutional Committee recommended approval.

Activities leading up to the formation of the center have been taking place at the University of Iowa for a number of years. There are several existing programs which will become part of this national center. These include the Connie Belin Fellowship Program in Gifted Education, the Governor's Summer Institute for Gifted and Talented Education, the Honors Opportunity Program, and the Iowa Inventors Project.

The funding for the center will come from interest on the legislative appropriation (\$750,000) and from substantial private gifts and grants. The Center is expected to be self sustaining.

The center is named after Connie Belin, who was appointed to the Board of Regents in 1977 and died while serving as a Regent in June of 1980.

Vice President Martin stated the Interinstitutional Committee reviewed the proposal and was pleased to recommend approval. He said it is a commendable program. He noted that anyone who knew Connie Belin would be very pleased that it was being named in her honor.

Acting President Harris underscored what Vice President Martin said, and said that anyone who knew her would have a great appreciation for what is being

done. He said they were both appointed to the Board of Regents at the same time, and he found her to be delightful.

Regent Duchen added his appreciation for this honorable recognition of a wonderful human being.

Regent Williams stated this was a unique opportunity for the Regent universities to provide a service to the K-12 institutions through the efforts of this program. She said there is a need for more research in this area and this was a timely move.

President Remington thanked the Regents for their very favorable comments. He said University of Iowa officials are excited about the expansion of their efforts in that field. He said that the previous morning he greeted 50 teachers in the Connie Belin Fellows Program which the university has been doing for a number of years. University of Iowa officials are holding a press conference the following day to announce some major gifts for this program. They will be holding the first national conference in this area in 1990. University officials have expanded the resources for teachers in this field substantially.

MOTION:

Regent Williams moved to approve the establishment of the Connie Belin National Center for Gifted Education at the University of Iowa. Regent Tyler seconded the motion, and it carried unanimously.

Vice President Martin noted that the Interinstitutional Committee members would be meeting the following morning to discuss the Center for Child Development. He said they had not yet been able to confer formally on the matter.

ACCREDITATION REPORTS. a) Counseling and Psychology - Iowa State University. The Board Office recommended the Board receive the report on accreditation of the Doctoral Program in Counseling Psychology at Iowa State University.

In April, Iowa State University was notified by the American Psychological Association that the association's Committee on Accreditation renewed full accreditation for a three-year period to the Doctoral Program in Counseling Psychology at Iowa State University.

The Committee's decision was based on a review of the program self-study report, a report of the site team that visited the program last fall, and correspondence regarding the accreditation of this program. A copy of the report is on file in the Board Office.

The Board Office staff noted that the university should be congratulated for having achieved this accreditation.

GENERAL
June 22-23, 1988

ACTION: Acting President Harris stated the Board received the report on accreditation of the Doctoral Program in Counseling Psychology at Iowa State University by general consent.

b) Fine Arts - University of Northern Iowa. The Board Office recommended the Board receive the report on accreditation of the Bachelor of Arts, Bachelor of Fine Arts, Bachelor of Arts with Teacher Certification, and Master of Arts programs at the University of Northern Iowa.

The University of Northern Iowa was notified that the Commission on Accreditation of the National Association of Schools of Art and Design has continued the accreditation of the Bachelor of Arts (Painting, Drawing, Ceramics, Metals, Sculpture, Photography, Graphic Design, Printmaking), Bachelor of Fine Arts (Painting, Drawing, Ceramics, Metals, Sculpture, Photography, Graphic Design, Printmaking), Bachelor of Arts with Teacher Certification (Art), and Master of Arts (Studio Art) programs at the University of Northern Iowa.

This action was taken on the basis of a self-study report submitted by the institution. The commission requested that a progress report be submitted by September 1, 1988, regarding the range of Master of Arts degree offerings.

The Board Office noted that the university should be congratulated for having received this accreditation. A complete file on this accreditation action is available in the Board Office.

ACTION: Acting President Harris stated the Board received the report on accreditation of the Bachelor of Arts, Bachelor of Fine Arts, Bachelor of Arts with Teacher Certification, and Master of Arts programs at the University of Northern Iowa by general consent.

REPORT OF AFFILIATED ORGANIZATIONS. **a) University of Iowa Affiliated Organizations.** The Board Office recommended the Board receive reports of affiliated organizations at the University of Iowa.

Complete copies of the 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 are on file in the Board Office.

ACTION: Acting President Harris stated the Board received the reports of affiliated

GENERAL
June 22-23, 1988

organizations at the University of Iowa by general consent.

b) Iowa State University Affiliated Organizations. The Board Office recommended the Board receive reports of nine affiliated organizations at Iowa State University.

Complete copies of the reports from the Iowa State University Achievement Foundation, Iowa State University Alumni Association, Iowa 4-H Foundation, Iowa State University Press, Iowa State Research Foundation, Iowa State University Memorial Union, Iowa State University Agricultural Foundation, the Committee for Agricultural Development, and the Stanton Memorial Carillon Foundation, are on file in the Board Office.

ACTION: Acting President Harris stated the Board received the reports of nine affiliated organizations at Iowa State University by general consent.

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

Complete copies of the University of Northern Iowa Alumni Association and the University of Northern Iowa Foundation are on file in the Board Office.

ACTION: Acting President Harris stated the Board received the reports of the University of Northern Iowa Foundation and the University of Northern Iowa Alumni Association by general consent.

LEGISLATIVE REPORT, 1988. The Board Office recommended the Board receive the report on legislative activities and authorize the recommended actions.

Senate File 333, Section 6 - Requires that the Board of Regents adopt policies and procedures for the use of telecommunications as an instructional tool at its institutions. This legislation was approved during the 1987 session and was previously delegated to the Interinstitutional Committee on Educational Coordination.

- o The Interinstitutional Committee should move immediately to address this requirement and make specific recommendations to the Board by September 1988.

Senate File 511, Section 408(7) - Requires the Board of Regents to submit a report by September 15 to the Department of Management and the Legislative Fiscal Bureau of all obligations of appropriations for fiscal year 1988 for which products or services have not been received or rendered by September 1, 1988.

- o The Board Office has worked with the Department of Management and the Legislative Fiscal Bureau to develop the format and content of the report. The Board Office will send out the draft forms to the institutions and solicit responses. Reports from the institutions are to be provided to the Board Office by September 12, 1988.

Senate File 2086 requires the Board of Regents, Department of General Services, Department of Transportation and Commission for the Blind to purchase, whenever the price is competitive and the quality intended, starch-based plastics and soybean-based inks. There is an established schedule for annual increases in the percentage purchased. The Board is required to report to the General Assembly on January 1 of each year the plastic products which are regularly purchased for which starch-based product alternatives are available.

- o The interinstitutional purchasing officers organization should work with other state agencies to implement the legislation and should submit a report to the Board by October 1.

Senate File 2164 requires the president, or the president's designee, of one of the universities be designated by the Board of Regents to serve on the Iowa Economic Development Board on a rotating basis as ex officio nonvoting members.

- o At the July meeting the Regents will need to appoint a president to serve the first term. The Economic Development Board is not expected to meet until after July 15.

Senate File 2193 directs the Board of Educational Examiners to adopt rules relating to approved teacher education programs. An advisory committee is established to make recommendations regarding the certification to the Board of Educational Examiners. One member of the advisory committee is to be from the teacher education faculty at one of the Regent universities. The faculty member will be appointed by the Board of Educational Examiners. The bill also requires the Board of Regents to establish a program encouraging experienced teachers to serve as cooperating teachers for student teachers enrolled at the universities.

- o It was recommended that development of this program be referred to the Interinstitutional Committee on Educational Coordination. The committee should provide a recommendation to the Board by November 1, 1988.

Senate File 2233 provides that voter registration shall be available at all offices maintained by state agencies. Each department where voter registration is conducted must report quarterly to the State Commissioner of elections the number of registrations completed. The State Commissioner is to adopt rules to implement this section.

- o The Board Office will write a letter to the Secretary of State outlining the appropriate people on each campus to contact to implement this requirement. It is expected that this legislation only intends that Regent institution facilities be available for voter registration and that the Secretary of State's Office would manage and coordinate all aspects of the registration activities and subsequent reporting.

Senate File 2295 related to the development of identification methods, education methods, and staff qualifications for educating at-risk children. The Board of Regents is required to establish a center for early development education in a laboratory school setting to serve as a model for early childhood education. The teacher education programs at all three state universities shall cooperate in developing the center and its programs.

- o The Interinstitutional Committee on Educational Coordination was requested to make a recommendation for the program location and structure at the June Board meeting.

Senate File 2312 Section 52.2f requires as a condition of the appropriation to the University of Iowa Hospitals and Clinics there is to be provided to the General Assembly financial information concerning revenue and expenditures for the University Hospitals for fiscal year 1988. The Legislative Fiscal Bureau is required to develop forms for collecting the information.

- o The Board Office will provide any assistance requested by the Legislative Fiscal Bureau in developing the appropriate reporting format. The information should be reviewed with the Board prior to being submitted to the General Assembly.

Senate File 2312 Section 57 requires, as a condition of the appropriation to the general universities, interest earned on moneys accumulated by campus organizations not used by those organizations shall be allocated to campus improvement or to work study programs.

- o The institution business officers should be directed to take the necessary steps to meet this requirement.

Senate File 2312 Section 59 requires the Board Office to conduct a study of the child care needs of faculty members, other staff and students at each of

the universities. This report is to be presented to the General Assembly no later than November 30, 1988. The report is to be a comprehensive proposal for meeting the child care needs at institutions.

- o The Board Office recommended that an ad hoc interinstitutional committee be appointed by the Executive Secretary in consultation with institutional representatives. The committee will provide information on the need for child care by faculty, staff and students at the Regent universities. The report of the interinstitutional committee should be presented to the Board at its November meeting.

Senate File 2312 Section 64 requires the Board to establish a hall of fame for its distinguished graduates of the Iowa Braille and Sight Saving School and the Iowa School for the Deaf.

- o The Board Office recommended that the special school superintendents develop plans for implementing this provision and present the plans to the Board at its October meeting.

Senate File 2312, Section 52.1a, requires as a condition of the appropriation to the office of the State Board of Regents there is established a consortium consisting of the universities to establish and use a process for exchange and integration of knowledge. In addition, Senate File 2328 requires the Board of Regents to establish a consortium at each university to maximize and promote the economic benefit of research.

- o The Board is required to enter into agreement with the Department of Economic Development to coordinate and facilitate the consortiums. There is appropriated \$120,000 to each consortium, with \$85,000 to the Department of Economic Development for staff and support of the consortiums and \$35,000 to the office of the vice president for research at each university.
- o The Board Office recommended that an ad hoc interinstitutional committee consisting of the Executive Secretary and university presidents be assigned this task. This group shall make a recommendation to the Board in September regarding the establishment of the Regent-wide consortium required by Senate File 2312 and the individual institution consortiums and Department of Economic Development agreement required by Senate File 2328.

Senate File 2318 requires the registration of construction contractors with the State Labor Commissioner. A contractor who is not registered shall not be awarded a contract to perform work for a state agency. The date for implementation is February 18, 1989.

- o The Board Office will work with the institution construction documents committee and provide proposed language changes to the Regent bid documents for review by the Board in September.

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House File 529 prohibits state agencies, including Regent universities, from engaging in activities which compete with private enterprise. Specific Regent activities which are exempted include: residence halls, transportation, souvenirs and goods, products or professional services sold as part of the schools' missions. Regents may, by rule, exempt a number of activities. If a state agency seeks to exempt activities from this statute the state agency must document that the goods or services can be provided at a competitive price.

- o The Board Office is consulting with institutional personnel to review this legislation and to make recommendations for the Board to consider in July.

House File 2377 provides that the Regents may issue up to \$19 million in zero-coupon bonds in denominations so that parents can buy them to pay for college costs of their children. The bill directs the College Aid Commission to prepare an educational program and marketing strategy to parents about the need for early saving for college cost.

- o This item has been before the Banking Committee and a draft request for proposals for underwriting services will be presented to the Banking Committee at its July meeting. The earliest likely date for a sale of these bonds is November.

House File 2415 provides for programs of early retirement incentives for state and local employees similar to the programs enacted in 1986. Employees who will be 62 by July 1, 1988, may choose to retire and be eligible for a lump sum payment or continue enrollment in health, life and dental insurance programs until reaching age 65.

- o The Board approved the early retirement incentives at the April Board meeting.

House File 2437 requires the State Board of Regents and the Department of Transportation to implement practical and economical energy conservation measures identified through required engineering analysis of their respective facilities. Regents are required to perform a comprehensive engineering analysis of their facilities by June 30, 1989. The bill establishes a requirement that the Department of Natural Resources develop a plan for the development, management, and efficient utilization of all energy resources in the state.

- o The individual institutions should begin performing the required analysis and report at the October Board meeting. The report to the Board should cover execution of the energy conservation program established by the Board in February and their proposed responses to this legislative requirement.

House File 2447 appropriates monies to the Department of Human Services. Section 40 requires the Board of Regents to submit a report to the Legislative Council by December 1, 1988, regarding the professional training required to ensure sufficient number of qualified staff to deliver case management services for mental health.

- o The Executive Secretary in consultation with each university should appoint a group to do this study and report to the Board in October.

Mr. Richey referred to House File 529 which prohibits agencies, including Regent universities, from engaging in activities which compete with private enterprise and stated the Board Office is proposing to bring emergency rules to the Board for adoption in July. At the same time they will start the process for deliberation on permanent rules which will go through the administrative rules procedure. The emergency rules are being brought to the Board in July in order to comply with the law. The Regents will have time to review the permanent proposed rules in a very deliberate manner.

Regent Tyler asked that since he won't be at the July Board of Regents meeting, his friends on the Board look very carefully at the language. He said the wording should not just comply with the letter of the law, but also with the spirit of the law.

MOTION: Regent VanEkeren moved to receive the report on legislative activities and authorize the recommended actions. Regent Duchen seconded the motion, and it carried unanimously.

LOTTERY RESEARCH AND DEVELOPMENT FUNDS FY 1988. The Board Office recommended the Board authorize the following projects to be submitted to the Department of Economic Development for funding in the priority order listed.

<u>Univ.</u>	<u>Project</u>	<u>Recommendation</u>	<u>Cumulative Recommendation</u>
SUI	Research and Development Program in Biochemical Engineering	\$ 325,000	
SUI	Development of the Three-Dimensional Dynamic Morphology System Machine	\$ 528,982	\$ 853,982

<u>Univ.</u>	<u>Project</u>	<u>Recommendation</u>	<u>Cumulative Recommendation</u>
ISU	Production of Lean American Beef for the Manufacturing Industry	\$ 49,950\$	\$ 903,932
ISU	Development and Application of Ultrasonics to Measure Yield and Quality Grades of Beef Cattle and Their Carcasses	\$ 57,812	\$ 961,744
SUI	Capital Markets Institute	\$ 225,000	\$1,186,744
SUI	Regional Tissue Culture and Hybridoma Facility	\$ 230,000	\$1,416,744
UNI	Endowed Chair in Metal Casting	\$ 500,000	\$1,916,744
ISU	Water Treatment Requirements in Intensive Closed System Walleye Aquaculture	<u>\$ 77,560</u>	\$1,994,304

Appropriations of \$7 million were made to the Lottery Research and Development account for fiscal year 1988. \$5 million of that appropriation was earmarked by the General Assembly with \$4.75 million to Iowa State University and \$250,000 to the University of Northern Iowa.

The universities submitted several proposals for Lottery Research and Development grant funds totaling \$2.7 million, as follows:

University of Iowa	\$1,935,982
Iowa State University	271,104
University of Northern Iowa	500,000

The Department of Economic Development expects that between \$1.4 million and \$1.7 million of the fiscal year 1988 appropriation balance will be available for competitive award.

The Board Office recommendation was for projects to be submitted to the Department of Economic Development approximately equal to the \$2 million appropriated balance as follows:

University of Iowa	\$1,308,982
Iowa State University	185,322
University of Northern Iowa	500,000

GENERAL
June 22-23, 1988

The Board Office recommendation for these competitive funds and the legislatively-earmarked allocations of Lottery funds would result in the following distribution for fiscal year 1988:

University of Iowa	\$1,308,982
Iowa State University	4,857,762
University of Northern Iowa	750,000

The Board deferred action on this item in May to provide additional time for consideration of the proposals. Subsequent to the May meeting Board members were provided an opportunity to review the complete proposals for each of the projects.

Mr. Richey stated the Board Office recommendation was made taking into consideration the projects already funded by the state with Lottery funds.

Regent Tyler reminded the Board members that a year ago there were some problems in communication between the Department of Economic Development and the Board of Regents. The determination of the priorities by the Department of Economic Development was not in accordance with those submitted by the Board of Regents. There was subsequently a meeting between representatives of the Department of Economic Development and the Board of Regents. He asked that as these proposals are submitted to the Department of Economic Development, an explanation of why they are in the priority order submitted also be included.

Mr. Richey stated he will forward an explanation with the proposals, as well as set up a meeting with the department's director to discuss the priority order.

MOTION: Regent Williams moved to authorize the projects to be submitted to the Department of Economic Development for funding in the priority order presented. Regent Greig seconded the motion, and it carried unanimously.

REPORT ON EMPLOYMENT TRENDS OF REGENT INSTITUTIONS. The Board Office recommended the Board redocket this item for the July Board of Regents meeting.

ACTION: Acting President Harris stated the report on employment trends of Regent institutions was redocketed for the July meeting by general consent.

FINAL INSTITUTIONAL OPERATING BUDGETS, FY 1989. The Board Office recommended the Board (1) Receive the report on final budgets and budget policies for

fiscal year 1989 and (2) Approve the preliminary budgets for the following special purpose appropriations:

Livestock Disease Research (ISU)	\$ 300,000
Water Resources Research Institute (Groundwater and Lottery) (ISU)	250,000
Fire Service Education (ISU)	389,456
Rural Concern Hotline (ISU)	90,000
Small Business Development Centers (ISU)	825,000
SCHS: Mobile and Regional Clinics (SUI)	2,723,207
Ag Health & Safety Program (SUI)	61,985
Center for Health Effects (SUI)	111,000
SBAC: Hazardous Waste Center (UNI)	220,000

The Board approved preliminary operating budgets for fiscal year 1989 for each of the Regent institutions at its May meeting. Final operating budgets were presented this month for each of the universities and the two special schools.

The institutions proposed relatively few changes from the preliminary budgets approved by the Board in May. The changes proposed were generally small and were either the result of technical corrections or revision of income estimates, rather than programmatic changes.

A variety of special purpose appropriations were made by the General Assembly. They are characterized by a specific appropriation and the narrow scope of program. Each were treated separately from the General University budgets.

Salary Policy

Over 70 percent of the general fund budget is expended for salaries. Senate File 2322 appropriated \$24.9 million for salary increases for employees of the State Board of Regents. The Board approved the distribution of the salary adjustment at the May meeting.

The Regents top priority last year and again this year was faculty salaries. The University of Iowa and the University of Northern Iowa both report approximate 10 percent average faculty salary increase. Iowa State University reports in its final budget proposal that it has achieved an average 10.8 percent increase in the salaries of continuing faculty. Detailed analyses of faculty salary increases by the Board Office, to be completed in the fall, will indicate the precise average faculty salary increases.

Professional & Scientific Staff and General Service Staff

University of Iowa, Iowa State University and University of Northern Iowa officials reported an average 7.5 percent professional and scientific staff salary increase. General Service staff are eligible for a 4 percent increase at the beginning of fiscal year 1989 and merit steps when due based upon satisfactory performance.

Non-salary expenditures:

Due to the top priority of salary increases at the institutions, the non-salary expenditures decreased from 24 percent of budgeted expenditures in fiscal year 1987 to a budgeted 21 percent of total expenditures for fiscal year 1989. Over 85 percent of the expenditures on non-salary items are in the utilities or supplies and service categories.

With the increase recommended by the Governor and appropriated by the legislature for library books, there is an overall 8.2 percent increase in that category for all budget units. Equipment budgets and supplies and services budgets were also increased by 8.2 percent Regent-wide for fiscal year 1989 as compared to the revised fiscal year 1988 budgets.

Appropriations, fiscal year 1988:

Over 50 percent of the total Regent institution general fund operating budget revenues are from state appropriations. Among the various budget units this portion varies substantially, from 98 percent at the Iowa School for the Deaf to 13 percent for the University of Iowa Hospitals and Clinics.

The University of Iowa general university fiscal year 1989 state funding is \$148,789,598. Of this amount, the General Assembly requires that \$500,000 be expended for teaching excellence awards to teaching faculty members and teaching assistants. In addition, the University of Iowa is required to commit \$114,000 for the salaries and support of the Labor Center.

The University of Iowa received two other separate appropriations; \$59,940 for the Agricultural Health and Safety Service Pilot Programs and \$341,250 for the acquisition of library materials.

Iowa State University general university has allocated for fiscal year 1989 state funding of \$124,287,166. As a requirement of this appropriation the university is to expend \$2 million for the construction of livestock units for cattle and swine research and \$1 million for the purchase of Agronomy Building equipment. In addition, the university is required to expend \$500,000 for teaching excellence awards to teaching faculty members and teaching assistants. The university received as a separate appropriation \$234,400 for the acquisition of library materials.

The University of Northern Iowa proposed total fiscal year 1989 state funding is \$48,207,738. The General Assembly requires that \$250,000 be expended for teaching excellence awards and specified that \$460,000 of the appropriation constitutes an equity adjustment to maintain and support the university's academic programs. The legislature made a separate appropriation of \$60,850 to the University of Northern Iowa for the acquisition of library materials. As a condition of its appropriation, no moneys appropriated shall be expended for the power plant addition at the University of Northern Iowa.

The University of Northern Iowa is to receive \$11.1 million for the construction of a power plant addition if the ending fund balance is greater than \$61,700,000 at the end of fiscal year 1988. If there is not adequate ending fund balance, then there is appropriated the remaining portion in fiscal year 1989. It will likely be July before anything definite is known with regard to the availability of this appropriation from the fiscal year 1988 ending balance.

Non-appropriation revenues:

Over 45 percent of institutional general fund revenue is from non-appropriated funds. Sales and services income at the University of Iowa Hospitals and Clinics is almost 50 percent of all non-appropriated revenue with projected fiscal year 1989 sales and service receipts of \$171,752,000. Tuition income at all three universities is expected to be \$143,565,000 and is approximately 40 percent of all non-appropriated revenue.

The remainder of non-appropriated income is principally from unrestricted federal funds, interest income, and indirect cost recoveries. The Iowa State University Cooperative Extension Service and Agriculture and Home Economics Experiment Station are the principal recipients of unrestricted federal funds. For fiscal year 1989 they are budgeted for \$11.4 million in unrestricted federal funding.

Tuition Replacement

The total funds available for tuition replacement in fiscal year 1989 is approximately \$17.8 million.

The Board has authority to issue \$52 million in additional academic building revenue bonds. The current tuition replacement need is estimated at \$17.8 million, but with the issuance schedule for additional bonds, interest rates, and construction schedules not known the exact tuition replacement need is unknown. Another major factor in determining tuition replacement need is the success in issuing \$19 million in capital appreciation bonds during fiscal year 1989.

Special Purpose Appropriations:

Board of Regents institutions receive a number of special purpose appropriations. Final approval was recommended for the appropriations for budgets of the following programs:

Fire Service Institute	\$389,456
Small Business Development Centers	\$825,000
Rural Concern Hotline	\$90,000
Livestock Disease Research	\$300,000
Water Resources Research Institute	\$250,000
Specialized Child Health Services Mobile and Regional Clinics	\$2,723,207
Agricultural Health and Safety Service Pilot Programs	\$61,985
Center for Health Effects of Environmental Contamination	\$111,000
Small Business Assistance Center for the Safe and Economic Management of Solid Waste and Hazardous Substances	\$220,000

Interinstitutional Programs:

Appropriations to the University of Iowa and Iowa State University include funding for interinstitutional programs offered through the Quad Cities Graduate Study Center and the Regent Western Iowa Continuing Education Program. Prior to fiscal year 1986, appropriations to these programs were made directly to the Regents. Since then, the appropriations have been incorporated within the general university budgets with the understanding that support for these interinstitutional programs would continue to be identified to the Board.

Iowa State University reported that it is continuing its support of the Western Iowa and Off-Campus Programs. For fiscal year 1989 a total of \$162,619 is budgeted. This is a decrease of \$2,465 from the fiscal year 1988 budget.

The University of Iowa reported that it expects to maintain support of the Quad Cities Graduate Study Center at the current level of \$126,200. The Center had additional funding of \$142,500 for fiscal year 1989 and indicated that over half of its budget is in personnel costs. However, support is budgeted by the University of Iowa as Supplies and Services and no increases are being provided in that budget category for fiscal year 1989. Thus, the university proposes to maintain but not increase its level of support. The

University of Iowa reported that in future years it proposes to shift 70 percent of the expenditures from supplies and services to salaries so that the Center will receive a portion of salary increase funds.

The Board Office recommended that approval be given to continued support of these interinstitutional programs at the budget levels indicated and that the University of Iowa attempt to provide support for personnel costs at the Quad Cities Graduate Study Center.

Director True stated the Board Office was requesting approval of the special purpose programs. With regard to the general fund budgets he said a number of changes had occurred since last month. He said the most substantial in terms of dollars was the Computational Center at Iowa State University where \$900,000 was removed from the supplies and services category and added to salaries.

Regent Tyler asked what percentage of the budgets, aside from the approximate 70 percent for salaries, were for fixed expenses.

Director True responded that the only non-personnel costs that were not fixed would be building repairs and equipment.

Regent Tyler noted that once salaries are set plus the fixed expenses, there really isn't much left to discuss.

Regent Fitzgibbon said he was concerned about the relationship of enrollments to budgets to expenditures. He wanted to know where the schools were going with long-term planning, what kind of enrollments they were anticipating and what they were planning to do about future enrollment levels. He said that needed to be studied now.

Mr. Richey said the planning aspect of the strategic plans and the institutional planning to be addressed in the organizational audit should address that issue.

Regent Fitzgibbon said he would like to know how we arrived at estimates of enrollment revenue.

Mr. Richey responded that it would have to be reviewed as a part of the budget process for next fall. He said the long-range institutional plans will be reviewed with the Board next spring, which would be the first chance to address this issue in an organized fashion. He noted that the Board had essentially taken a position in the last 10 years that enrollments will float up and down. When enrollments increased, dependence on tuition revenue increased. When enrollment at Iowa State University went down, it resulted in \$3-4 million in lost tuition revenue.

GENERAL
June 22-23, 1988

Regent Fitzgibbon asked Mr. Richey if he thought that enrollments ought to fluctuate like that in a well thought out long-term plan.

Mr. Richey said that would depend on why the enrollments were fluctuating.

Regent Fitzgibbon said the enrollment issue also ties into the marketing of the institutions.

Mr. Richey noted that the Board has indicated it would like to have the marketing issue addressed.

Vice President Moll referred to the Board Office information on the funding of the Quad Cities Graduate Study Center. He said the University of Iowa has made annual \$126,200 payments on behalf of all three Regent universities for the last 5 years. The Center has asked for \$142,000 next year. Illinois' annual funding of the Center for next year is expected to be \$135,000 - \$136,000. He said the University of Iowa has shifted 70 percent of the expenditures for the Graduate Center from supplies and services to salaries so that the Center will receive a portion of salary increase funds. Additionally, because of the funding situation faced by the Quad Cities Graduate Study Center, university officials suggested increasing the allocation to the Center to \$136,000, sharing the increase among the three Regent universities. He said the three universities agreed to that. He noted the increase was for this one year only and that down the road they would have to find a way to resolve the funding issue.

Regent Fitzgibbon noted that an employer cannot overpay top quality people. He said it's those who are not performing up to expectations that are overpaid. He encouraged the institutions to fill vacancies with top quality people.

MOTION:

Regent Tyler moved to (1) Receive the report on final budgets and budget policies for fiscal year 1989 and (2) Approve the preliminary budgets for the special purpose appropriations. Regent Williams seconded the motion.

President Curris asked for clarification of the Board Office recommendation to "authorize the institutions to proceed with the proposed final fiscal year 1989 budgets until final review by the Board at the July meeting". His specific concern was in notifying staff of salary increases.

Vice President Madden said the uncertainty of salary increases becomes a major operating problem in working with payrolls for the month of July.

Mr. Richey stated that all of those employees whose salaries are set by the institutions with Board ratification could be processed with no problem. The

GENERAL
June 22-23, 1988

MOTION: Regent Williams moved to enter into executive session. Regent VanGilst seconded the motion, and upon the roll being called, the following voted:
AYE: Duchen, Fitzgibbon, Greig, Harris, Tyler, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Pomerantz.

The Board having voted at least two-thirds majority resolved to meet in executive session beginning at 4:36 p.m. on June 22, 1988, and arose therefrom at 5:03 p.m. on that same date.

The following business was conducted on Thursday, June 23, 1988.

ANNUAL REPORT ON EARLY AND PHASED RETIREMENT PROGRAMS. The Board Office recommended that the Board (1) Receive reports from the institutions on the operation of PHASED RETIREMENT programs in 1987-88; (2)(a) Receive reports from the institutions on the operation of the EARLY RETIREMENT incentive programs in 1987-88; and (b) Establish a present value rate of 7.0 percent for lump sum payouts under the EARLY RETIREMENT program for fiscal year 1989.

PHASED RETIREMENT programs for university faculty were first approved by the Board in 1982 and were subsequently extended to all faculty and staff. In FY'88 fifty-eight faculty, professional and scientific, and merit system employees at four institutions participated in PHASED RETIREMENT. The total cost of incentives provided under the program was \$358,757. The amount of released funds was \$833,150.

In accordance with legislation enacted effective July 1, 1986, the Board approved an EARLY RETIREMENT program for faculty and professional and scientific staff at Regent institutions. In FY'88 eighty faculty and staff members at four institutions participated in the EARLY RETIREMENT program with total savings over the period of \$12,385,762.

Participants in the EARLY RETIREMENT program who request and are granted a lump sum payment of benefits (instead of continuing contributions over the years they participate in the program) have the lump sum payment discounted by the amount they might reasonably be expected to earn on the lump sum.

For 1987-88 the Board approved a present value rate of 6.25 percent. The recommended rate of 7.0 percent for FY'89 represents an average of current rates earned on 90-day and one-year Treasury bills.

MOTION: Regent Tyler moved to (1) Receive reports from the institutions on the operation of PHASED RETIREMENT programs in 1987-88; (2)(a) Receive reports from the institutions

on the operation of the EARLY RETIREMENT incentive programs in 1987-88; and (b) Establish a present value rate of 7.0 percent for lump sum payouts under the EARLY RETIREMENT program for fiscal year 1989. Regent Williams seconded the motion, and it carried unanimously.

REPORT OF REGENTS BANKING COMMITTEE. The Board Office recommended the Board receive the report and approve actions recommended by the Committee.

Regent Fitzgibbon stated the Banking Committee received monthly investment and cash management compliance reports from the five Regent institutions. The committee has been reviewing internal audit plans. All audit plans have been received except one which needs further refinement.

Regent Fitzgibbon said the one item which the Board needed to take action on was approval of a financial lease provider. The Board Office staff, University of Iowa and Iowa State University representatives, Regent Fitzgibbon, and the Board's financial advisers interviewed Banc New England Leasing Group's proposal with a representative of the firm. The Banking Committee approved the selection of Banc New England Leasing Group as the Board's master lease provider based on experience, performance and cost after the committee discussed Banc New England services with representatives of the firm. Regent Fitzgibbon stated the committee's formal action concerning the financial lease provider was as follows:

1. Approve the selection of Banc New England Leasing Group as the Board's master lease provider.
2. Withdraw authorization of further use of the master lease agreement with Dougherty Dawkins Lease Group.
3. Draw-downs on the master lease agreement with Banc New England Lease Group are to be approved in writing by both the chief business officer of the institution and the Executive Secretary of the Board of Regents. Cumulative principal outstanding on the master lease agreement shall not exceed the following amounts without further approval of the Board:

University of Iowa	\$3,000,000
Iowa State University	\$3,000,000
University of Northern Iowa	\$ 500,000
Iowa School for the Deaf	\$ 50,000
Iowa Braille & Sight Saving School	\$ 50,000

The Board Office shall report to the Banking Committee all authorizations of master lease draw-downs at the next regular meeting of the Committee.

4. Professional fees and out-of-pocket expenses incurred by the Board's financial adviser, Springsted, Inc., and bond counsel, the Ahlers law firm, shall be reimbursed in accordance with the contracts in place with those firms, and the costs shall be distributed as follows:

University of Iowa	45 percent
Iowa State University	45 percent
University of Northern Iowa	10 percent

Costs incurred as a result of each draw-down on the master lease would be calculated in accordance with the Board's contract and paid by whichever institution is the recipient of the funds.

MOTION:

Regent Duchen moved to (1) approve the selection of Banc New England Leasing Group as the Board's master lease provider, (2) withdraw authorization of further use of the master lease agreement with Dougherty Dawkins Lease Group, (3) that draw-downs on the master lease agreement with Banc New England Lease Group are to be approved in writing by both the chief business officer of the institution and the Executive Secretary of the Board of Regents. Cumulative principal outstanding on the master lease agreement shall not exceed the amounts outlined without further approval of the Board. The Board Office shall report to the Banking Committee all authorizations of master lease draw-downs at the next regular meeting of the Committee, and (4) professional fees and out-of-pocket expenses incurred by the Board's financial adviser, Springsted, Inc., and bond counsel, the Ahlers law firm, shall be reimbursed in accordance with the contracts in place with those firms, and the costs shall be distributed as outlined. Costs incurred as a result of each draw-down on the master lease would be calculated in accordance with the Board's contract and paid by whichever institution is the recipient of the funds. Regent Tyler seconded the motion, and it carried unanimously.

Acting President Harris thanked everyone who worked on the financial lease bidding process.

Regent Fitzgibbon stated the Banking Committee members reviewed the schedule of academic building revenue bonds, the proposal for underwriting for capital appreciation bonds and historical bond performance. The Banking Committee members discussed fixed rate versus variable rate bonds, boiler bonds and conversion of \$16 million in variable rate bonds. Information will be provided to each of the Board members prior to an electronic meeting to be held on July 11 at 1:00 p.m. to take formal action on the conversion.

Regent Duchen stated that during the last year that Regent Fitzgibbon has chaired the Banking Committee the Board has seen remarkable improvement in the function of the committee, and cooperation and communication among the institutions. He said the Board and staff and universities are in a position where they now share responsibilities if, when and where they are needed to be shared. He thanked Regent Fitzgibbon and Director True for all their help and guidance.

ACTION: Acting President Harris stated the Banking Committee report was received by general consent.

Regent VanGilst stated that at the reception the previous evening several legislators asked him how the Regents know whether funds were being well spent. He told them that the Banking Committee and the internal audits were monitoring that, and they were elated to hear that. Regent VanGilst said Regent Fitzgibbon needed much of the credit for that.

Acting President Harris asked the Board to give Regent Fitzgibbon a round of applause.

RESIDENCY APPEALS. The Board Office recommended the Board (1) Uphold the decision of Iowa State University to maintain the nonresident status classification of Darren L. Honnold, a student at Iowa State University, and (2) Uphold the nonresident classification of Richard Elmer Reseland as established by Iowa State University and recommended by the Registrars and Admissions Officers Coordination Committee.

The Board received two appeals of residency status for tuition purposes. Both were reviewed by the Registrars and Admissions Officers Coordination Committee. In both instances, the committee recommended that the Board uphold the decision of Iowa State University to deny the appeal. In both instances, the individuals appealing have failed to overcome the presumption that they came to Iowa for purposes other than to attend school.

MOTION: Regent Tyler moved to (1) Uphold the decision of Iowa State University to maintain the nonresident status classification of Darren L. Honnold, a student at Iowa State University, and (2)

GENERAL
June 22-23, 1988

Uphold the nonresident classification of Richard Elmer Reseland as established by Iowa State University and recommended by the Registrars and Admissions Officers Coordination Committee. Regent Williams seconded the motion, and it carried unanimously.

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

The following appointments were recommended by President Pomerantz and university presidents to fill positions which expire June 30, 1988:

a. IOWA PUBLIC BROADCASTING BOARD

<u>Reappoint</u>	<u>Term Expires</u>
Regent Charles Duchen	June 30, 1991

b. IOWA COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION

<u>University</u>	<u>Reappoint</u>	<u>Term Expires</u>
Iowa State University	President Gordon Eaton (member)	June 30, 1991
	Milton Glick (alternate)	June 30, 1991

c. REGENT COMMITTEE ON EDUCATIONAL RELATIONS

<u>University</u>	<u>Reappoint</u>	<u>Term Expires</u>
University of Iowa	Duane Anderson	June 30, 1991
Iowa State University	Edwin Lewis	June 30, 1991
University of Northern Iowa	Robert D. Leahy	June 30, 1991

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

APPEAL BY VENDOR - IOWA COAL MINING COMPANY. The Board Office recommended that the Board (1) Deny the request of Iowa Coal Mining Company that Iowa State University be directed to accept assignment of the contract of Iowa Fuel and Minerals to Iowa Coal Mining Company in 1987; (2) Deny the request of Iowa Coal Mining Company that Iowa State University be directed to award a contract to Iowa Coal Mining Company as a result of the bidding process undertaken in 1986-87 (the award of contract for the purchase of coal was to American Coal Company for approximately 16 months); and (3) Deny the request

GENERAL
June 22-23, 1988

of Iowa Coal Mining Company that it be awarded damages based on the failure of Iowa State University to award a contract for the purchase of coal to it as a result of the bidding process in November-December 1986.

Based on consultation with its counsel the Board was advised that the hearing officer who heard the appeal of Iowa Coal Mining Company was correct in determining that the university did not have to accept assignment of the Iowa Fuel and Minerals contract to Iowa Coal Mining Company in 1987 and that the hearing officer erred in finding that the university's award of a coal contract to American Coal Company should be voided. The Board specifically found that the award of a coal contract to American Coal Company at the conclusion of the bidding process of November-December 1986 comported to state law and was consistent with the bidding documents prepared by the university.

MOTION:

Regent Duchen moved to (1) Deny the request of Iowa Coal Mining Company that Iowa State University be directed to accept assignment of the contract of Iowa Fuel and Minerals to Iowa Coal Mining Company in 1987; (2) Deny the request of Iowa Coal Mining Company that Iowa State University be directed to award a contract to Iowa Coal Mining Company as a result of the bidding process undertaken in 1986-87 (the award of contract for the purchase of coal was to American Coal Company for approximately 16 months); and (3) Deny the request of Iowa Coal Mining Company that it be awarded damages based on the failure of Iowa State University to award a contract for the purchase of coal to it as a result of the bidding process in November-December 1986. Regent Fitzgibbon seconded the motion, and it carried unanimously.

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

Appointments:

DOUGLAS JENSEN as Associate Director, Business and Finance, at an annual salary of \$52,500 plus the usual fringe benefits, effective July 1, 1988.

DOLORES BLISS, Secretary II, Grade 508, Step 4, \$17,617.60 per annum plus usual fringe benefits, effective June 24, 1988.

Merit Increase

SHEILA LODGE, Secretary II, from \$16,931.20 to \$18,428.80, effective June 24, 1988 (includes four percent across-the-board increase effective the same date).

Resignation

GLEN DICKINSON, Associate Director, Business and Finance, effective July 7, 1988.

Mr. Richey stated there are two vacant positions in the Board Office that staff is striving to fill. He said they were fortunate that Cindy Eisenhauer is on hand to assume the responsibilities of Director True. Ms. Eisenhauer has been working with the Board Office through the courtesy of the Department of Management. Mr. Richey said he was very happy to have her on staff and that she came with outstanding recommendations. Mr. Richey stated that he deeply appreciated the contributions Doug True has made.

Acting President Harris, on behalf of the Board, welcomed Ms. Eisenhauer. He also told Mr. True that the Board members would miss him and that they appreciated all he had done for the Board and the institutions.

Vice President Madden, on behalf of the institutions, also thanked Director True for all he had done for the institutions.

ACTION: Acting President Harris stated the Board Office Personnel Register for June 1988 was approved as a consent item.

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

July 11	Electronic Meeting	Board Office and Institutions
July 15	Village East	Okoboji
August	NO MEETING	
September 14-15	University of Northern Iowa	Cedar Falls
October 19-20	Dubuque Inn	Dubuque
November 16-17	Iowa State University	Ames
December 14-15	Marriott Hotel	Des Moines
January 18-19, 1989	Iowa State University	Ames
February 15-16	Marriott Hotel	Des Moines
March 15-16	(To be Designated)	Atlantic
April 12	University of Iowa	Iowa City
April 13	Iowa Braille and Sight Saving School	Vinton
May 24-25	Iowa School for the Deaf	Council Bluffs

Acting President Harris noted that an electronic Board meeting was scheduled for July 11 at 1:00 p.m. The location for the October Board meeting was suggested as the Dubuque Inn.

Regent Fitzgibbon stated that since the Board visited the Lakeside Lab last year he questioned whether they should consider holding the July meeting elsewhere. He said the Board was not scheduled to meet in Iowa City for thirteen months which he did not feel was very good judgment. He asked that Iowa City be worked back into the schedule for this year. He felt that all five Regent institutions should be visited at least twice a year and that a visit to the University of Iowa campus could be accommodated in the meetings schedule for later this fall.

Regent Duchen said he preferred to hold a meeting in Iowa City when students are on the campus.

Regent Fitzgibbon said the Board Office could review the schedule to ensure that the Regents meet at Iowa City, Ames, Cedar Falls and the special schools twice a year. He said that would still allow opportunities for a couple other locations every year.

President Eaton offered an alternative to Regent Fitzgibbon's suggestion. Instead of meeting at Iowa State University twice in a three-month period, he offered that the November meeting could be held in Iowa City.

Regent VanGilst stated the Regents have not met as often as they used to at the University of Iowa Hospitals and Clinics. He said it seemed that the Regents felt the hospital can run by itself without the Board being there. He said it was very important that the Board members be at the hospital, and spending one day in Iowa City doesn't do justice.

Regent Fitzgibbon said that during the months of September, October and November the Regents should meet on the campuses since those are the months during which they will be making tuition decisions.

Regent Tyler said that he confirmed with the executive secretary and Superintendent Johnson that the March 15 and 16 meeting be at Council Bluffs and the May 24 and 25 meeting be in Atlantic, and asked that the Board approve that change.

Acting President Harris said that was fine.

Mr. Richey said that if the Board does not meet in Dubuque in October they cannot meet there for at least a year, and the program of moving around the state will be affected.

Acting President Harris stated that given the recent policy of the Board he would much rather cancel Okoboji than Dubuque. Since the meeting schedule

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, June 22 and Thursday, June 23, 1988.

REGISTER OF PERSONNEL CHANGES. The Board Office recommended that the Board approve the Register for the months of April and May, 1988.

The Register included requests for early retirement, as follows:

Norman Kallaus, effective May 1, 1988
Richard Turnipseed, effective May 1, 1988

ACTION: Acting President Harris stated the Board approved the Register for the months of April and May 1988 as a consent item.

APPOINTMENTS. The Board Office requested that the Board approve the following personnel actions.

In accordance with the Board of Regents Procedural Guide, secretaries, affirmative action officers, and treasurers must be nominated by the executive heads of the institutions and approved by the Board annually. These nominations were as follows:

JUNE CARGILE as Director of the Office of Affirmative Action for the 1988-89 fiscal year at an annual salary of \$48,000.

DOUGLAS YOUNG as Secretary for the University of Iowa for the 1988-89 fiscal year at an annual salary of \$73,000.

The Board previously approved the appointment of DOUGLAS TRUE as Treasurer for the University of Iowa, effective June 24, 1988, and including the 1988-89 fiscal year.

Other appointments/reappointments for approval were as follows:

COSMO CATALANO as chair of the Department of Theatre Arts, College of Liberal Arts, for a two-year term effective August 29, 1988, at an academic-year salary of \$50,500.

RICHARD FUMERTON as Chair of the Department of Philosophy, College of Liberal Arts, for a three-year term effective August 29, 1988, at an academic-year salary of \$40,000.

ANDREW KUSIAK as Chair of the Department of Industrial and Management Engineering, College of Engineering, for a three-year term effective August 29, 1988, at an academic-year salary of \$72,000.

JOHN R. MENNINGER as Chair of the Department of Biology, College of Liberal Arts, for a three-year term effective August 29, 1988, at an academic-year salary of \$58,500.

RAY PARROTT as Chair of the Department of Russian, College of Liberal Arts, for a three-year term effective August 29, 1988, at an academic-year salary of \$43,000.

DOUGLAS TRANK as Chair of the Rhetoric Program, College of Liberal Arts, for a one-year term effective August 29, 1988, at an academic-year salary of \$45,000.

MARGERY WOLF as Chair of the Women's Studies Program, College of Liberal Arts, for a three-year term effective August 29, 1988, at an academic-year salary of \$59,000.

HUNTER R. RAWLINGS, III, as Professor, with tenure, in the Department of Classics, effective August 1, 1988. (The Board previously approved Dr. Rawlings' appointment as university president at an annual salary of \$143,000.)

President Remington presented the following supplemental appointments for Board approval:

DAVID H. VERNON, as Acting Vice President for Academic Affairs and Dean of the Faculties, effective August 1, 1988, at an academic-year salary of \$115,500.

DR. NICHOLAS COLANGELO, as Director of the Connie Belin National Center for Gifted Education, effective July 1, 1988, for a three-year term, at an academic-year salary of \$52,715.

President Remington said the appointment of David Vernon was presented on behalf of President Rawlings. President Remington discussed the appointment with central administration and it was fully endorsed. He said Mr. Vernon was one of the university's most outstanding faculty in the College of Law.

The Board was also asked to approve the following resolution requiring DR. RAWLINGS to live in the on-campus residence provided for the university president:

WHEREAS, it is the position of the Board of Regents that occupancy of the campus residences provided for the presidents of the universities

governed by the Board of Regents is required for the performance of the official duties of the presidents.

BE IT THEREFORE RESOLVED that President Hunter R. Rawlings, III is hereby directed to occupy the residence provided for the President of the University of Iowa on the campus of the university and located at 102 Church Street and that such occupancy shall commence as soon after August 1, 1988, as possible.

Regent Tyler asked what a university secretary does. Vice President Phillips stated that person fulfills both the controller and secretary functions for the University of Iowa. He is in charge of the business office and keeps the records for the university.

MOTION:

Regent VanGilst moved to approve the personnel actions including the resolution requiring Dr. Rawlings to occupy the campus residence. Regent Greig seconded the motion, and it carried unanimously.

Regent Duchen asked what would be done if the president's residence is not in liveable condition when President Rawlings arrives. Vice President Phillips responded that university officials would make other arrangements.

DEVELOPMENTAL ASSIGNMENT. The Board Office recommended the Board approve the additional faculty developmental assignment for the University of Iowa for academic year 1988-89.

In January, the university submitted its request for faculty developmental assignments for 1988-89 in accordance with the requirements of the Regents Procedural Guide (Section 4.09). In April, the university added seven additional developmental assignments for 1988-89. This month the university added one additional assignment for Richard Remington for 1988-89.

The requested developmental assignments approved by the Board in January and April plus the additional developmental assignment this month brings the university's total request to 129.

MOTION:

Regent Williams moved to approve the additional faculty developmental assignment for the University of Iowa for academic year 1988-89. Regent Tyler seconded the motion, and it carried unanimously.

PROFESSIONAL AND SCIENTIFIC CLASSIFICATION CHANGES. The Board Office recommended that the Board approve, effective July 1, 1988, the following revisions to the university's Professional and Scientific classification plan:

STATE UNIVERSITY OF IOWA
June 22-23, 1988

<u>FROM</u> <u>Title</u>	<u>Grade</u>	<u>TO</u> <u>Title</u>	<u>Grade</u>
Asst. University Business Manager	13 (\$34,625-59,110)	Assoc. University Business Manager	14 (\$37,465-63,400)
Manager, Dept. of Parking and Transportation	12 (\$31,975-54,605)	Director, Dept. of Parking and Transportation	13 (\$34,625-59,110)
Director, Iowa Memorial Union	14 (\$37,465-63,400)	Same	15 (\$40,555-68,615)
Coordinator of University Staff Development	9 (\$25,220-42,660)	Same	10 (\$27,300-46,610)

NEW CLASSIFICATION
Title

Grade

Magnetic Resonance Technologist 5 (\$18,705-31,370)

Proposed pay grades were based on point count evaluations of the duties and responsibilities of the positions.

The proposed new class of Magnetic Resonance Technologist is needed to staff a new and rapidly-expanding technology in the field of diagnostic radiology, Magnetic Resonance Imaging.

Acting President Harris asked who provides the staff training for the Magnetic Resonance Imaging.

Associate Vice President Small responded that the training had tended to be done by the manufacturers of the equipment but with the growth of magnetic resonance as a professional field more academic training was required.

Acting President Harris asked if other persons within the state of Iowa, other than the university MRI technicians, would be able to go to the University of Iowa and receive the same kind of training.

Associate Vice President Small responded that university officials anticipated that the area vocational schools will develop academic programs where people who want this training can go.

MOTION:

Regent Williams moved to approve, effective July 1, 1988, the revisions to the

university's Professional and Scientific classification plan, as presented. Regent Greig seconded the motion, and it carried unanimously.

BUILDING NAME.

University of Iowa officials requested approval of the name change of the Health Sciences Library to the Hardin Library for Health Sciences.

President Remington stated it was a great pleasure to present this supplemental docket item. The request was made to honor the former dean of the College of Medicine, Dr. Robert C. Hardin. The advisory committee on the naming of buildings and the campus planning committee both reviewed and concurred with this recommendation. Dr. Hardin's many contributions to the University of Iowa, the Iowa City community, and the state of Iowa continued until his death in 1988. The suggestion that the Health Sciences Library be named in honor of Dr. Hardin was met with unanimous enthusiasm by the faculty of the health colleges, alumni, and members of organized medical groups in Iowa, including the Iowa Medical Society.

MOTION:

Regent Duchen moved to approve the name change of the Health Sciences Library to the Hardin Library for Health Sciences. Regent Williams seconded the motion, and it carried unanimously.

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

PERMISSION TO PROCEED WITH PROJECT PLANNING

University Hospitals and Clinics--Redevelopment and Expansion of Patient, Visitor and Staff Dining Facilities

The Hospital reported substantial problems in adequately serving the thousands of staff and patients that have meals in the hospital facility. Plans were proposed for the redevelopment and expansion of the first floor dining facilities. The project includes a separate, full-service cafeteria for outpatients and visitors with a 180-seat dining room. Staff facilities will incorporate a free-flow service system, a 440-seat dining room, and a 38-seat take-out deli unit.

The Hospital reported that since 1963 the number of meals served to ambulatory patients, visitors and staff has tripled without an increase in dining capacity.

Funds are available from University Hospital Building Usage Funds.

University Hospitals and Clinics--Operating Room Suite and
Support Facilities Replacement Project

This project is for the replacement of operating rooms located in the original hospital facility. The project is to include the construction of the operating suite as a fifth floor of the Colloton Pavilion West Wing and supporting facilities to be constructed on a sixth floor of the same wing. Approximately 43,000 square feet of space is involved with a projected cost of \$13.7 million.

The Director of the Hospitals indicated that he has discussed with President-Elect Rawlings this project as well as the other projects for which Board action was requested. Funds are available to meet the cost of this project from University Hospital Building Usage Funds.

Associate Director Staley expressed Mr. Colloton's regrets that he could not be at this meeting. Mr. Staley introduced his colleague Dr. John Tinker, head of the Department of Anesthesia, and former head of cardiac anesthesia at Mayo Clinic.

Mr. Staley said the University of Iowa Hospitals and Clinics phased capital replacement plan was initiated almost 20 years ago to overcome a number of serious life safety code violations. The present operating room is located in the original 1927 general hospital building. The operating room suite replacement is the final phase of the program to modernize University of Iowa Hospitals and Clinics.

Mr. Staley reviewed with Board members the materials submitted concerning the financing summary of the phased capital replacement plan and a summary of the overall expansion program. He said the total project is a \$238 million program, none of which will come from state appropriations -- no state funds are involved in this construction.

Mr. Staley stated that when the capital program for replacing obsolete University of Iowa Hospitals and Clinics facilities was formulated in the early-1970s one of the prime ingredients identified was the need for a modern operating room suite to replace present operating rooms. Over the past 15 years a substantial increase in complexity of operative procedures has made this need even more critical. These factors, coupled with the continuing increase in the hours of operating room time used, have created a situation that necessitates resolution.

Dr. Tinker stated that over the last 60 years surgery has taken on some very significant changes and advances. The present operating room suite is of inadequate size and design to meet the contemporary surgical patient care needs of this tertiary care center. As a result, there are frequent and

significant delays in providing surgical patient care. UIHC's use of the inpatient operating rooms has been consistently and substantially above the average utilization reported for other large teaching hospitals and long ago reached the point where there is an insufficient number of operating rooms to efficiently and effectively provide patient service. Almost half of the present operating rooms are located in the original 1927 structure, making remodeling to expand their size and to support new technologies infeasible and cost prohibitive. He said four operating rooms do not meet current building code requirements for size and two others have significant structural limitations, reducing their functionality for the majority of surgical procedures. There is a need for at least ten operating rooms to be 40 percent larger than minimum code requirements to accommodate the large number of complex cases performed in cardiothoracic, transplant, and multiple trauma surgery. The ceiling height in the operating rooms makes it impossible to install many kinds of equipment. Another problem with the current operating rooms is the need for a sterile corridor. They need one corridor for the supplies to go in and one for contaminated supplies to go out. Another problem is that they don't have anesthesia prep rooms and therefore tie up operating room time. There is also a need for a variety of clinical testing procedures during surgery such as a facility for developing x-rays and a pharmacy dose substation. Finally, he said they have a huge amount of equipment which is not always needed but requires storage space when not in use.

Dr. Tinker said that in the past 5 years the average duration of usage time for an operating room has gone up substantially. When they built the ambulatory surgery suite it freed up 3,000 hours of surgery time. However, with the continual increase in the hours of operating room time used that is again all being used now.

Dr. Tinker stated the project will include the construction of a twenty-five room operating suite, a thirty bed post-anesthesia care unit plus space for support functions. The design of the new facility will incorporate contemporary standards and practice patterns, as well as provide for those envisioned in the future. The sixth floor space to be vacated upon completion of this project will be reassigned to a number of clinical and hospital services with a critical need for additional space for faculty and staff offices and patient care support functions.

Regent Duchen asked why they are only planning for 25 operating rooms.

Dr. Tinker stated that University of Iowa Hospitals don't have the surgical volume that would necessitate more than 25 rooms. Also, he said other forces at work may cut down the number of surgeries necessary in the future.

Regent Williams asked if they were adding another floor. Mr. Staley responded that they were.

Regent Fitzgibbon questioned the Board's participation in the capital replacement planning effort. He felt that hospital officials might find it helpful if the Board is a little more familiar with it and if some of the Board members participate in the process.

Acting President Harris stated that some of the Board members are familiar with this. From time to time they have received rather extensive documents prepared similar to the ones at this meeting, with color pictures outlining the construction phases. He suggested hospital officials arrange for the Board members who had not received copies of those to receive them.

Regent Fitzgibbon reiterated that it might be nice for some of the Board members to participate in this. He suggested that could happen if hospital officials would request it.

Regent Williams asked if the \$13.7 million figure for the final phase included equipment.

Mr. Staley said they don't know at this point what that cost will be. When hospital officials come back with the program statement and the budget they will also have equipment costs identified. He noted that all the costs would be paid out of paying patient earnings.

Regent VanGilst said he recalled discussion at an earlier meeting concerning the Gothic Tower or the Boyd Tower in that they were going to get federal funds to build a building north of that area.

Director Gibson said they once anticipated building a large building south of the old hospital but those plans fell through.

Regent VanEkeren asked if patient rooms were housed in the back part of the hospital that extends all the way to the east. Mr. Staley said there are patient rooms on the 5th floor of that facility.

Regent VanEkeren asked what is in the northwest section. Mr. Staley said the base floor is the pediatric cardiology clinic. On the second floor is the pediatric ophthalmology clinic, the third floor is renal dialysis and the 4th floor is labor and delivery.

Regent VanEkeren asked if classrooms were also housed in those areas. Mr. Staley said there are classrooms throughout the facility.

Acting President Harris asked what the joint accreditation commission had to say about the operating rooms.

Mr. Staley responded that they noted a number of things but no actual deficiencies were cited.

PROJECT DESCRIPTIONS AND BUDGETS

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

University Hospitals and Clinics--Psychiatric Pavilion
Replacement Facility--Phase B \$3,034,250
Source of Funds: University Hospital Building Usage Funds

Preliminary Budget

Construction	\$2,578,915
Architectural/Engineering Support	167,630
Planning and Supervision	77,365
Contingency	<u>210,340</u>
 TOTAL	 \$3,034,250 =====

This project is the second part of the three-part construction of the Psychiatric Pavilion Replacement Facility. Phase B involves finishing approximately 38,000 square feet of clinic wing shelled space now under construction as Phase A of the project. Phase C of the Psychiatric Pavilion Replacement Project will require the demolition of the Old Armory. Therefore, it cannot commence until completion of the Field House Replacement Facility and demolition of the Old Armory.

Agricultural Medicine Research Facility--Oakdale Campus--
Research Laboratory Renovation \$680,000
Source of Funds: Treasurer's Temporary Investments and/or
General University Building Repairs

Preliminary Budget

Design, Inspection and Administration	\$ 80,000
Construction	540,000
Contingency	<u>60,000</u>
 TOTAL	 \$680,000 =====

This project is for the purpose of constructing 6,765 gross square feet of laboratory space in existing storage areas located on the Oakdale Campus. The university expects to provide 5,110 square feet of usable laboratory space as a result of this project. The project will construct four laser laboratory rooms, equipment space, three faculty offices, six other offices for post-doctoral and student use, and a secretarial support area. The costs of furnishings and casework are not in this budget. The furnishings and laboratory casework to be installed will be removed from this facility and

installed in the Laser Laboratory Facility upon its completion. Following completion of the Laser Laboratory Facility this laboratory space will revert for use as wet laboratory space for other research projects.

The university recommended the selection of Kimmel, Jensen, Wegerer and Wray, P.C., as the project engineers.

Vice President Phillips stated this particular facility is used for a variety of purposes although it is not very actively used at this time. University officials found a need to create some additional laboratory space for a scientist joining the university who has some very specific laboratory requirements. She said that one of the particular challenges they face in trying to provide scientific lab space at the Ag Medical Center on the Oakdale campus is that it is a fairly old building. One of the major reasons they went to that space was that it is mainly used for storage at this time. Laser lab facilities require special heating and air conditioning in connection with laser research. When the professor moves into the laser building the space vacated will be used as badly needed wet lab space. There are people waiting in line for lab research space at the university.

President Remington stated university officials have been trying to recruit senior laser scientists. He said he was pleased to announce the appointment of Dr. Arthur Smirl as professor of laser engineering. President Remington said he is an outstanding laser scientist. It was for Dr. Smirl's use that this project was being proposed.

Regent Tyler questioned what happens to the agriculture research until the laser research is moved into the Laser Facility. He noted that he thought that Iowa State University was the agriculture arm of this enterprise.

President Remington said the agricultural medicine research was an activity of the Department of Preventive Environmental Health. The focus of the research is on medical and farm implement issues. This is one of those interface areas in which the concerns of this state come together with the primary concern over human health.

Regent Williams asked where Dr. Merchant would be located. President Remington responded that he is on the clinical side and will not use those spaces. Medical school personnel believe this temporary space reassignment will not interrupt their activities and the space will revert back to the medical college.

Regent Fitzgibbon said it was pretty hard to justify renovating a space for \$133/square foot when new space could be built for \$122/square foot.

Vice President McCandless stated there have been two meetings with representatives of Iowa State University and the University of Iowa concerning the proposal for a rural health center. There will be increased

cooperation and coordination in ag research and they will draw on each other's strengths.

University Hospitals and Clinics--Oral Surgery Clinic
Remodeling and East Wing, General Hospital Stairwell
Development \$518,739
Source of Funds: University Hospital Building Usage Funds

Preliminary Budget

Construction	\$445,175
Contingency	44,518
Architectural/Engineering Support	11,239
Contingency	<u>17,807</u>
 TOTAL	 \$518,739 =====

This project involves remodeling approximately 4,600 square feet of the first through fourth floors of the General Hospital. The project will provide a new Oral Surgery Clinic on the second floor, east wing. The project will provide fire safety improvements on all floors to be remodeled.

Medical Research Center Laboratory Renovation--Third Floor \$464,150
Source of Funds: Internal Medicine Income Funds

Preliminary Budget

Design, Inspection and Administration	\$ 53,350
Construction	191,600
Casework	181,850
Contingency	<u>37,350</u>
 TOTAL	 \$464,150 =====

The Board previously authorized the university to proceed with project planning for remodeling. The project will provide for modern research laboratories for allergy and immunology within the Department of Internal Medicine.

University Hospitals and Clinics--Radiation Oncology
Modernization Project \$427,919
Source of Funds: University Hospital Building Usage Funds

Preliminary Budget

Construction	\$363,320
Contingency	36,332
Engineering Support	10,101
Planning and Supervision	<u>18,166</u>
TOTAL	\$427,919 =====

The proposed remodeling would provide a new 18 MeV treatment room, a new cobalt treatment room and storage facilities to serve the 18 and 25 MeV linear accelerator treatment rooms.

University Hospitals and Clinics--Installation of Third
Adult Cardiac Catheterization Lab

\$351,540

Source of Funds: University Hospital Building Usage Funds

Preliminary Budget

Design, Inspection and Administration	\$300,000
Contingency	30,060
Architectural/Engineering Support	20,860
Planning and Supervision (provided by Hospital staff)	<u>(15,000)</u>
TOTAL	\$351,540 =====

This project involves development of a third cardiac catheterization laboratory. These laboratories are located on the fourth floor of the Carver Pavilion. The project includes installation of lead-lined walls and doors.

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

\$327,397

Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

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

The project involves remodeling 4,300 square feet on the fourth floor of the General Hospital. It includes remodeling 13 double patient rooms and one single shower room into four single and nine double patient rooms. The Hospital reported that it wished to accomplish, as a part of the project, a more home-like environment for the space.

Van Allen Hall--Remodel Rooms 408 and 418 \$264,700
Source of Funds: General University Building Repairs

Preliminary Budget

Design, Inspection and Administration	\$ 36,500
Construction	207,200
Contingency	<u>21,000</u>
TOTAL	\$264,700 =====

This project involves remodeling of two rooms in Van Allen Hall with a combined net square feet of 1,113. The rooms will be remodeled as clean rooms to support construction of spacecraft components under NASA contracts.

Regent Tyler said it appeared that the cost of this remodeling project came to \$240/square foot for renovation.

Vice President Phillips stated this was a very specialized renovation for the research being conducted for the space program.

University Hospitals and Clinics--Asbestos Abatement in Tunnel Connections Between Various Hospital Units \$238,500
Source of Funds: University Hospital Building Usage Funds

Preliminary Budget

Construction	\$190,000
Contingency	19,000
Engineering Support	20,000
Planning and Supervision	<u>9,500</u>
TOTAL	\$238,500 =====

This project involves asbestos insulation removal and installation of new insulation on pipes in the tunnel system under the General Hospital.

University Hospitals and Clinics--Carver Pavilion Secondary Power Enhancement \$230,600
Source of Funds: University Hospital Building Usage Funds

Preliminary Budget

Construction	\$186,000
Contingency	18,600
Architectural/Engineering Support	15,000
Planning and Supervision	<u>11,000</u>
TOTAL	\$230,600 =====

This project involves installation of electrical power enhancements in Carver Pavilion to meet the demands of new, electrical intensive technology being utilized within that facility.

* * * * *

The university presented revised budgets on the following projects.

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

Preliminary Budget

	12/87 Approved Budget	Revised Budget
Design and Administration	\$ 2,610,000	\$ 2,025,000
Construction Management		920,000
Construction	18,400,000	16,307,000
Site Development		325,000
Art Allowance	125,500	125,500
Contingency	1,608,500	1,608,500
Equipment--Allowance		1,433,000
Utility Connection, inc. fees	1,327,000	1,327,000
Chilled Water Allowance	<u>1,029,000</u>	<u>1,029,000</u>
TOTAL	\$25,100,000 =====	\$25,100,000 =====

At the time schematic designs were reviewed for this project the Board asked that the university return upon completion of design development. The Board wanted to review design refinements, additional efficiencies found in the project and any appropriate budget changes.

The university reported that estimated design refinements reduce the construction cost by approximately \$360,000. That, combined with better identification of cost elements, resulted in a new construction cost estimate of \$16,307,000. The resulting construction cost per gross square foot is \$122.19. This compares to the original cost per gross square foot of \$134.00.

Even with a reduced cost per gross square foot, the university reported that laser research has extraordinary mechanical and electrical costs which will contribute as much as \$14.50 per gross square foot beyond what similar laboratory space would cost to construct.

The university reported that the project now contains 81,963 net square feet out of a total of 134,478 gross square feet of space. This represents an efficiency of 61 percent.

The revised budget for the project provides additional detail, including the \$1.4 million addition for equipment. This equipment budget has been created through savings in the proposed construction budget as well as through reclassifying certain equipment expenses that had originally been incorporated within the construction budget.

The university prepared a report on progress made since the schematic designs were provided to the Board. A supplemental cost report was also prepared detailing the savings as well as the reclassification of expenditures from the original budget.

The university reported that the scientific equipment needs of the facility are estimated to cost \$14 million to \$15 million. It also indicated alternatives are being explored for financing this equipment cost through federal funding and other grant and contract income. The university was requested to keep the Board apprised of progress in meeting this urgent financial need to fully equip the Laser Laboratories.

The university requested approval of an agreement with CPMI, Inc., Des Moines, for construction management services.

<u>Medical Laboratories--Animal Care</u>	Original Budget	\$ 946,350
<u>Remodeling--Fourth Floor, West Wing</u>	Revised Budget	\$1,010,233

The university reported it has uncovered a number of elements in this project which are expected to result in an additional \$64,000 in project cost. The additional cost is expected to be funded by Treasurer's Temporary Investment income or building repairs.

The university reported that it overestimated the capacity of some of the utility systems to adequately serve the new construction. In addition, a number of utility systems were hidden from view and their condition or

capacity were determined during construction to be less than had been expected. The university reported that one of the problems encountered was that during preliminary investigations the structure over the area being remodeled was presumed to be concrete. It was later discovered that 20 percent to 25 percent of the area is constructed of gypsum, which will not support the utilities needed for the structure. The additional costs were incorporated into the proposed revised budget.

<u>North Hall--Construct Video Classroom</u>	Original Budget	<u>\$169,050</u>
Source of Funds: General University Building	Revised Budget	<u>\$191,200</u>
Repairs or Treasurer's		
Temporary Investments		

<u>Motor Fuel Tank Replacement</u>	Original Budget	<u>\$155,000</u>
Source of Funds: Motor Pool Reserve Funds	Revised Budget	<u>\$186,000</u>

<u>University Hospitals and Clinics Window</u>	Original Budget	<u>\$121,350</u>
<u>Replacement--General Hospital</u>	Revised Budget	<u>\$134,331</u>
Source of Funds: University Hospital Building		
Usage Funds		

<u>University Hospitals and Clinics--Patient</u>		
<u>and Visitors Activities Center--Phase I</u>		<u>\$470,362</u>
Source of Funds: University Hospital Building Usage Funds		
Psychiatric Hospital		
(Change in Source of Funds)		

* * * * *

The university presented 12 new projects with budgets of less than \$200,000 that will be initiated in the coming months. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university.

CONSULTANT AGREEMENTS

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

<u>University Hospitals and Clinics--Psychiatric Pavilion</u>		
<u>Replacement Facility--Phase C</u>		<u>\$757,930</u>
Hansen Lind Meyer, Inc., Iowa City, Iowa		

Phase C of the Psychiatric Pavilion Replacement project consists of construction of space for adult and child psychiatric inpatient care facilities. The Hospital reported its selection of Hansen Lind Meyer, Inc., resulting from their prior experience at the Hospital and in particular in earlier portions of the Psychiatric Pavilion planning. Phase C of this project is expected to

cost approximately \$9.8 million. The fee negotiated with Hansen Lind Meyer, Inc., calls for basic services to be provided for a fixed fee of \$757,930, with reimbursable expenses not to exceed \$70,000.

Van Allen Hall--Remodel Rooms 408 and 418 \$19,500
K & A Associates, Iowa City, Iowa

Laser Laboratory Building \$417,000
CPMI, Inc., Des Moines, Iowa

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

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

Amendments Reported:

The cumulative total of the amendments on each project did not equal \$50,000 or 20 percent of the project budget which would require Board approval. Information provided on these amendments was presented in the university's register. The university reported amendments on two projects over \$200,000. Neither represented significant changes.

CONSTRUCTION CONTRACTS

The following construction contract was awarded by the Executive Secretary:

Field House Addition--Phase III--General Construction \$3,255,000
Award to: The Weitz Company, Inc., Des Moines, Iowa
(3 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

The university reported acceptance of two completed construction contracts. Inspection of the projects by the university found that the contractors complied with the plans and specifications. The university recommended that the work on the projects be accepted as complete.

<u>Human Biology Research Facility--Phase I</u> McComas-Lacina Construction Company, Inc., Iowa City, Iowa	<u>\$319,494</u>
<u>Finkbine Subsurface Irrigation Installation</u> Midwest Irrigation Company, Dubuque, Iowa	<u>\$297,000</u>

FINAL REPORTS

The university submitted final reports on the following completed construction projects.

<u>University Theatre Addition</u>	<u>\$6,586,787.95</u>
<u>Communications Facility</u>	<u>\$6,102,799.45</u>
<u>Electrical 15 KV Loop I, Phase I</u>	<u>\$1,113,061.84</u>
<u>Engineering Building--Third Floor Remodeling</u>	<u>\$432,988.96</u>
<u>Cambus Maintenance--Garage Addition</u>	<u>\$403,710.47</u>
<u>University Hospitals and Clinics--CSS Air Supply</u>	<u>\$320,697.21</u>
<u>Hawkeye Drive--Replace Water Piping--Phase II</u>	<u>\$273,213.62</u>

* * * * *

Director True stated the university had a supplemental capital request concerning the President's Residence Renovation. He said the Board approved the project and preliminary budget at the May 1988 meeting. A total of seven bids were received from five bidders on June 16, 1988. The bids were based on either of three separate bid packages or on a combination of packages for the interior, exterior and/or the mechanical/electrical system. He said the bids came in higher than the original budget. The Board Office recommendation was as follows:

1. Reject all bids received for Bid Packages A, B and C.
2. Authorize negotiations of contracts to be within the project budget with the low bidders for Bid Packages A and C (exterior and mechanical/electrical work) and authorize the executive secretary to award negotiated contracts.
3. Authorize the university to proceed with the construction of work items contained in Package B. This work will be accomplished by a combination of work authorized by requisition to Physical Plant and Purchase Orders to outside suppliers and contractors.

Director True said that this will bring the project back into budget and meet the time constraints.

MOTION: Regent Fitzgibbon moved to approve the university's capital register including the supplemental request concerning the President's Residence Renovation. Regent VanGilst seconded the motion.

Regent Tyler asked if a cost estimate was done to arrive at the total budget.

Vice President Phillips said that the Durrant Group had performed that service. She noted that some good news for the state of Iowa was that the university did not receive many bids on this project which indicated that contractors were quite busy.

Regent VanGilst asked if when they reject all the bids they can then negotiate with anyone they want.

Acting President Harris said that once they reject all bids they can go anywhere.

Regent VanGilst questioned why they would want to specify to negotiate with the low bidder.

Mr. Richey said they can then revise the project in accordance with the most reasonable cost projections.

VOTE ON THE MOTION: The motion carried unanimously.

LEASE OF PROPERTY FROM THE STATE BOARD OF REGENTS TECHNOLOGY INNOVATION CENTER, OAKDALE, IOWA - FUNCTIONAL HOME DESIGNERS AND LEASE OF PROPERTY TO THE STATE BOARD OF REGENTS - MARYCREST COLLEGE, DAVENPORT, IOWA. The Board Office recommended that the Board approve leases with FUNCTIONAL HOME DESIGNERS for their use of approximately 124 square feet of office space (Room No. 216) in the Technology Innovation Center (TIC) at the Oakdale Campus for a period of one year commencing July 1, 1988 and ending December 31, 1988, at a rent of \$744 for the period (Landlord, Renewal); with MARYCREST COLLEGE in Davenport for the university's use of 720 square feet of space at the college for a term of one year commencing July 1, 1988, and ending June 30, 1989, at a rent for the term of \$4,200 (Tenant, Renewal); with DRAKE UNIVERSITY (Des Moines) for the University of Iowa's use of approximately 3,110 square feet of classroom and office space in the frame house at 1151 - 28th Street, Des Moines, from July 1, 1988, to June 30, 1989, as a part of an annual fee of \$21,200 for the use of the space, facilities, equipment, and services (Tenant, Renewal); and with MR. AND MRS. BRIAN C. HO for the university's use of approximately 5,280 square feet of heated commercial, office and storage space with adjacent parking at 114 Second

Avenue, Coralville, at an annual rent of \$26,400 for the period July 1, 1988, to June 30, 1990, with an option to renew for an additional two-year period subject to reasonable rental adjustments (Tenant, Renewal - with space increase).

Essential terms and conditions of the leases are as follows:

BOARD'S STATUS:

Functional Home Designers -- Landlord
Marycrest College -- Tenant
Drake University -- Tenant
Mr. and Mrs. Brian C. Ho -- Tenant

LOCATION:

Functional Home Designers -- Room 216, Technology Innovation Center, Oakdale.
Marycrest College -- West Hall, Marycrest College, Davenport, Iowa
Drake University -- 1151-28th Street, Des Moines, Iowa
Mr. and Mrs. Brian C. Ho -- 114 Second Avenue, Coralville, Iowa

PERIOD:

Functional Home Designers -- Six months commencing July 1, 1988
Marycrest College -- One year commencing July 1, 1988
Drake University -- One year commencing July 1, 1988
Mr. & Mrs. Brian C. Ho -- Two years, commencing July 1, 1988 with option to renew for two years with agreed rent adjustment

RATE:

Functional Home Designers -- \$6.00 per square foot per year, the TIC rate.
Marycrest College -- \$5.83 per square foot per year and includes some services and equipment including library privileges.
Drake University -- \$4.27 per square foot per year with the lease including additional amounts for the use of other facilities, the library and equipment.
Mr. & Mrs. Brian C. Ho -- Rental rates vary within the lease for the quality of space. 3200 square feet are rented at an average of \$4.80 per square foot per year; the new 2080 square feet will be \$5.00 per square foot per year.

USE OF SPACE:

Functional Home Designers -- For offices, applied research, and product development in the construction, design and furnishing of facilities for persons with special needs, including the elderly.
Marycrest College -- For office space and shared classrooms for the Davenport operation of the Social Work Training Center.

Drake University -- For the Central Iowa offices, classrooms, and research facilities for the graduate education program of the Iowa School of Social Work.

Mr. & Mrs. Brian C. Ho -- The space is used for storage and offices for items resold through the Hawk Shop.

LIABILITY: In all leases, tenant is responsible for contents; landlord is responsible for building.

HOLD HARMLESS: In all leases, none

UTILITIES:

Functional Home Designers -- Furnished by landlord (University of Iowa)

Marycrest College -- Furnished by landlord (Marycrest)

Drake University -- Furnished by landlord (Drake)

Mr. & Mrs. Brian C. Ho -- Furnished by tenant (University of Iowa)

SERVICES:

Functional Home Designers -- Furnished by landlord

Marycrest College -- Furnished by landlord (Marycrest)

Drake University -- Furnished by landlord (Drake)

Mr. & Mrs. Brian C. Ho -- Furnished by tenant (University of Iowa)

PARKING:

Functional Home Designers -- Available on first come, first served basis

Marycrest College -- Available on first come, first served basis

Drake University -- Available on first come, first served basis

Mr. & Mrs. Brian C. Ho -- Includes adjacent reserved parking

COMPARABLES:

Functional Home Designers -- Same as for other tenants in this quality of space in the TIC.

Marycrest College -- Includes shared classrooms, library privileges and equipment which would not be available elsewhere. Rent is less than nearest comparables.

Drake University -- Includes shared classrooms, library privileges and equipment which would not be available elsewhere. Rent is less than nearest comparables.

Mr. & Mrs. Brian C. Ho -- Rent is equitable for comparable space. The new space being rented at \$5.00 per square foot was previously rented at \$6.50 per square foot per year.

Regent Duchen asked how many students are in the special work program at the graduate level.

President Remington responded that he did not know but would get that information. He said it was not a large number.

Regent Duchen asked that the cost of the lease for the property at 1151 - 28th Street, Des Moines, be reviewed. He felt the rate was high given the property he remembers in that area. Mr. Richey said it would be reviewed.

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

PARKING VIOLATION RATES. The Board Office recommended that the Board approve the proposed fees for parking violations at the University of Iowa identified below.

<u>VIOLATION</u>	<u>PRESENT FEE</u>	<u>PROPOSED FEE</u>
No University Registration (students only)	\$10 (1st one) 5 (each additional)	\$10 (each time)
Handicapped Reserved	5	25
Improper Display of Permit	5	10
Reserved Area	5	10
Restricted Permit on Campus	5	10
Motorcycles Prohibited	5	10
Area Not Open to Parking	5	10
Prohibited Zone	5	10
Irregular Manner	5	10
Blocking Drive, Walk, Alley	5	10
Service Vehicle Zone, Drive	5	10
Other	5	10
Expired Meter	2 (1-20 occurrences) 5 (21 +)	3 (1-10) 10 (11 +)

Vice President Phillips said the new rates will be published in the paper and distributed with parking permits.

MOTION: Regent Williams moved to approve the proposed fees for parking violations at the University of Iowa, as presented. Regent Fitzgibbon seconded the motion, and it carried unanimously.

FINAL BUDGETS - 1988-89. The Board Office recommended the Board (1) receive the fiscal year 1989 final general educational fund budgets for the following budget units and for the following amounts and authorize the university to utilize this budget until final review by the Board at the July meeting.

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

(2) Receive the final budget for the university residence system for fiscal year 1989 with budgeted operating expenditures of \$17,434,041.

The proposed general university operating budget of \$229,699,342 represents an increase of 7.4 percent over the fiscal year 1988 operating budget. This is an increase of \$280,544 from the preliminary budget approved in May to reflect the university's increased estimate of indirect cost recoveries.

Vice President Phillips stated that university officials had been quite conservative in their preliminary projection of indirect cost recoveries. They allocated the additional \$280,544 to equipment repairs and maintenance. They will delay expenditures of those budgeted amounts until further in the year to make sure they realize a sufficient amount of cost recovery.

The university reported an average salary adjustment for faculty of slightly higher than 10 percent. This will be accomplished through a combination of state appropriations, tuition revenue, and internal reallocations.

The major emphasis for fiscal year 1989 among the college instructional budgets is in Engineering, Law, and Pharmacy. The percentage changes in instructional budgets for those colleges are 11.4 percent, 13 percent, and 11.4 percent, respectively. The smallest increase of any college is 7.1 percent for the College of Education.

The university has initiated a central review mechanism for filling vacancies. The university reported that this review is expected to generate \$1 million in additional salary savings.

The university reported several other expenditure control measures necessary to accomplish the proposed budget. Those increases include a specific energy conservation program which includes establishing core hours for heating, cooling and lighting. Another expenditure control measure is the phased opening of the Human Biology Research Facility.

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

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

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

The preliminary operating budget for the Psychiatric Hospital for fiscal year 1989 is \$10,597,400. This is an increase of 7.8 percent over the revised fiscal year 1988 budget. The Psychiatric Hospital requested approval of a 7 percent rate increase.

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

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

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

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

The preliminary operating budget for the Specialized Child Health Services (Cancer, Hemophilia) is \$554,100. This is an increase of 8.4 percent over the revised fiscal year 1988 budget.

Vice President Phillips stated that based on discussion at this meeting, university officials will intend to notify personnel of their expected salary increases. In the salary area, she said they are doing some "belt tightening" in an effort to meet the budget. In the area of energy conservation they have made some transfers to non-general funds. University officials are phasing in the opening of new building space. She said university officials have initiated a hiring freeze which will be closely monitored. She assured the Regents that the university would meet all teaching commitments. The freeze was not an absolute and was intended to be flexible.

President Remington stated the 1988-89 budget reflects the results of the third year of the university's ambitious program of internal reallocation from the recurring budgets of the academic units. In the fall, each dean was asked to identify 3 percent of the college's recurring budget that would be returned to the university to form a reallocation pool. For the first two years of the program it was 1 percent and 2 percent, respectively. As part of the budgetary process in the spring, collegiate deans then proposed a number of new program initiatives. The funds resulting from the 3 percent reallocation (approximately \$3.5 million) made it possible to fund a number of new activities. President Remington provided the following examples:

1. The third-phase funding of the Iowa Fellows Program which was created in 1986-87 and which is designed to attract outstanding doctoral students in a variety of programs. This will allow Iowa Fellowship awards to an additional 20 new graduate students who will begin their doctoral work in the fall of 1988. In future years, it is planned that this program will continue to be phased in until 80-100 fellows are in residence at any one time.

President Remington said the university now competes for the most highly-qualified Ph.D. students in the country. One example he provided was of a Latino welfare mother. At a university in New York she earned straight A's and became Phi Beta Kappa. Through her success story, the Iowa Fellows Program received national attention.

2. Strengthening of interdisciplinary teaching and research programs in a number of areas including biocatalysis, international activities, specifically the area of agricultural health and safety, and programs in the Center for the Book.
3. The development of testing and instructional programs required to implement the university's new policy on English language proficiency for teaching assistants whose native language is not English.
4. The provision of seed funding for initiation of a number of programs related to the university's overall goal of increasing ethnic and cultural diversity.

5. The strengthening of several programs and the creation of new initiatives in the College of Liberal Arts.
6. The creation of up to six new faculty positions in the College of Business Administration to strengthen programs in several areas that are crucial to both the undergraduate and graduate programs.
7. Funding for two faculty positions in the College of Dentistry in the area of Prosthodontics.
8. Expansion and strengthening of the collaborative teacher preparation program involving joint efforts of the College of Education and various local school districts, and provision of instructional resources to meet curricular needs created by new state teacher certification requirements.
9. In the College of Engineering, the strengthening of faculty resources in the areas of Civil and Environmental Engineering, and Industrial and Management Engineering, and Electrical and Computer Engineering.
10. Two new faculty positions in the College of Law in the areas of law and social science and environmental law.
11. In the College of Medicine, the creation of new faculty positions in Obstetrics and Gynecology, the Department of Pathology, and the Department of Biochemistry.
12. The funding of faculty, graduate assistant, staff, and general expense needs related to the initiation of the Ph.D. program in the College of Nursing.
13. A new faculty position in the College of Pharmacy in the area of drug delivery mechanisms.
14. Creation of several new staff positions in the university libraries that are urgently needed to maintain adequate library services and to continue library automation efforts.

President Remington stated that these programs simply would not have been possible in the absence of new funding.

Regent Tyler asked if the university was relying on its energy conservation program and hiring freeze to accommodate increased sewer rates, increased utility usage and increased debt service requirements since there was no increase in the allocation for utilities.

Vice President Phillips stated university officials hoped to realize a \$1 million savings in the energy conservation area if the energy conservation

program works as projected. She said they have energy use monitoring devices in all university buildings now. Through the energy conservation program they would also attempt to cover the increased use of electrical power on campus as a result of different kinds of research going on. She said that as research becomes more complicated it requires more machinery and the patterns of electrical usage increase. She noted that the laser is a very inefficient user of electricity.

Regent Tyler said one could conclude that if the conservation program doesn't "pan out" to \$1 million the university would have a problem.

Vice President Phillips stated they all have had to make budget projections. As they go through the year they have to take more drastic or less drastic steps to manage the budgets.

Regent Fitzgibbon asked if university officials expected to have ample funds to redo the International Center.

Director True stated they were working with the State Executive Council on the casualty loss provisions.

Director Gibson said university officials hope to be finished with that project some time this calendar year. He said the first floor lounge was very badly charred although there was no structural damage. Smoke damage occurred on the second floor.

Vice President Phillips said that as soon as the planning work is complete they would bring the project in for the Board's approval.

Regent Fitzgibbon asked about the fire safety standards issue.

Director Gibson stated the university is being inspected right now. They are going from a two year to annual inspection. He said they are not actively spending any fire safety money at this time.

ACTION:

Acting President Harris stated the Board, by general consent, (1) received the fiscal year 1989 final general educational fund budgets for the budget units and for the amounts, as presented, and authorized the university to utilize this budget until final review by the Board at the July meeting; and (2) received the final budget for the university residence system for fiscal year 1989 with budgeted operating expenditures of \$17,434,041.

STATE UNIVERSITY OF IOWA
June 22-23, 1988

Acting President Harris presented President Remington with a certificate of appreciation from the Board of Regents. He said that while there was some very nice wording on it, nothing they could say would truly reflect how much they appreciate what he has done for the University of Iowa. The Regents know that the university has always been an excellent university. Today the University of Iowa is a much stronger academic institution than it was prior to President Remington's arrival.

President Remington said it had been a great pleasure working with the Board, the university colleagues, the public and the press. This experience has been a very important part of his life and one which he will cherish.

Acting President Harris 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 22 and Thursday, June 23, 1988.

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

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

Jordan L. Larson, Jr., (Mechanical Engineering faculty) reducing to 65 percent time effective August 21, 1988, full retirement May 20, 1991.

ACTION: Acting President Harris stated the Board approved the Register for the month of May 1988 as a consent item.

APPOINTMENT OF AFFIRMATIVE ACTION OFFICER AND APPROVAL OF ADMINISTRATIVE APPOINTMENTS. The Board Office recommended the Board approve the following appointments and reappointments.

The university's nominee for affirmative action officer reappointment was:

CHARLES E. SAMUELS as university Affirmative Action Officer for the fiscal year beginning July 1, 1988, at a fiscal year salary of \$69,975.

Vice President McCandless noted that two months ago the reporting for the Affirmative Action Officer was changed to the office of the president.

Other appointments/reappointments recommended for approval were:

CLYDE K. WALTER appointment as interim Chair of the Department of Transportation and Logistics for the period July 1, 1988, through June 30, 1989. Salary, \$61,557.

DAVID GLENN-LEWIN appointment as Chair of the Department of Botany, effective July 1, 1988, through June 30, 1991. Salary \$49,700.

LEONARD C. GOLDMAN reappointment as Director of the Iowa State University Research Park, effective July 14, 1988, and serving at the pleasure of the Iowa State University Research Park Board and the university president. Salary, \$83,000.

GARY L. WELLS appointment as Professor and Chair of the Department of Psychology, effective January 1, 1989, through June 30, 1992. Salary \$80,000.

DIANE DRAPER appointment as Professor and Head of the Department of Child Development, effective July 1, 1988. Salary \$59,900.

DAVID K. KAO appointment as Professor of Civil Engineering and Dean of the College of Engineering, effective September 1, 1988. Salary \$96,000.

RICHARD W. MANSBACH appointment as Professor and Chair of the Department of Political Science, effective July 1, 1988, through June 30, 1991. Salary \$78,000.

MOTION: Regent Fitzgibbon moved to approve the requested appointments and reappointments. Regent Greig seconded the motion, and it carried unanimously.

Regent Williams asked where university officials were with the recruitment of a director for the Leopold Center. President Eaton responded that they have tentatively extended an offer to one of three candidates.

APPROVAL OF CALENDAR CHANGES AND ACCEPTANCE OF NEW CALENDARS. The Board Office recommended that the Board (1) approve changes in the university's holiday schedule for 1989-90 and 1990-91; (2) approve revisions in the 1988-89, 1989-90, and 1990-91 academic calendars; and (3) approve the university's academic calendars for 1991-92 and 1992-93.

The changes in holidays requested for 1989-90 and 1990-91 were consistent with approved holiday schedules for employees covered by collective bargaining agreements and represent no increase in the number of holidays granted.

The three calendars previously approved for the academic years 1988-89, 1989-90, and 1990-91 would have one more teaching day bringing the number of teaching days per year to 148 because of Thursday of VEISHEA week as a day off.

The proposed academic calendars for 1991-92 and 1992-93 each contain 148 teaching days per academic year and are consistent with the number of days in the last two calendars approved for the university, with the exception of the increase caused by dropping one day of VEISHEA.

MOTION: Regent Williams moved to (1) approve changes in the university's holiday schedule for 1989-90 and 1990-91; (2) approve revisions in the 1988-89, 1989-90, and 1990-91

academic calendars; and (3) approve the university's academic calendars for 1991-92 and 1992-93. Regent Duchen seconded the motion, and it carried unanimously.

REGISTER OF CAPITAL IMPROVEMENTS BUSINESS TRANSACTIONS. The Board Office recommended the Board approve the capital register subject to satisfactory explanations for the need to negotiate the construction contract on the Laboratory Animal Facilities renovations.

PERMISSION TO PROCEED WITH PROJECT PLANNING

<u>Swine Nutrition and Management Research Center and</u>		
<u>VMRI Building No. 6--Remodeling</u>		<u>\$2,000,000</u>
Source of Funds: Building Repair Fund		
Project I	Swine Nutrition and Management Center-- Feed Preparation and Support	\$ 500,000
Project II	Swine Nutrition and Management Center-- Swine Housing	400,000
Project III	Swine Nutrition and Management Center-- Research Unit	850,000
Project IV	VMRI Building No. 6--Remodeling	<u>250,000</u>
TOTAL		<u>\$2,000,000</u> =====

These projects result from the \$2 million appropriation for animal research facilities recommended by the Governor and approved by the General Assembly. This appropriation is within the university's general operating budget and must be encumbered through issuance of contracts during fiscal year 1989. Therefore, the university wishes to proceed rapidly with these four elements. The first three elements composing a Swine Nutrition and Management Center are to be located approximately three miles northwest of the central campus on a site known as the Kelley Farm.

The swine housing facility is to be used for a breeding herd of approximately 200 sows plus their offspring to the point of reaching market weight and replacement gilts.

The Veterinary Medicine Research Institute project is expected to increase the available space devoted to research on viral enteric disease, which the university reported is an increasingly serious problem in young swine.

PROJECT DESCRIPTIONS AND BUDGETS

The university submitted three projects for approval by the Board.

Recreation/Athletic Facility

Revised Budget \$13,179,900
(Increase of \$179,900)

Source of Funds:	Recreational Facility Revenue Bonds:	
	Special Student Activity Fees	\$ 8,639,800
	Intercollegiate Athletic Funds	4,360,200
	Parking System	119,700
	Income from Treasurer's Temporary Investments	51,700
	Athletic Department	<u>8,500</u>
	TOTAL	<u>\$13,179,900</u> =====

Last month the university reported to the Board that all construction bids on this project were substantially over the construction cost estimates. The Board and the university agreed that negotiations should take place with the low bidder to determine if the cost can be reduced substantially to avoid the time delays and inflationary costs of redesigning and re-bidding the project. The university and its architect on this project, Bussard/Dikis Associates, worked with the low bid firm, McHan Construction, Inc. The results of negotiations are as follows:

McHan Construction, Inc., Base Bid	\$12,379,463
Deduct Alternates Selected	(355,465)
Negotiated Changes	<u>(846,690)</u>
Total Contract Amount	\$11,177,308
Deduct Tax Refund	<u>(250,000)</u>
Net Construction Contract	\$10,927,308

The Board Office recommended that this negotiated contract be accepted. The Board Office recommended the Board reject all bids originally submitted on the project before awarding the contract to McHan Construction Company as negotiated by the university and its architect. The Board Office reviewed this procedure with the Attorney General's Office and they recommended that it was the appropriate procedure under these circumstances.

The total project budget was increased by \$179,000 through the addition of several sources of funds. The university added funds from Treasurer's Temporary Investment income, supplemental Athletic Department income, and parking system revenue to support the parking lot to be built adjacent to the facility.

The university reported a variety of reductions in the project to reduce the construction cost.

Regent Tyler stated that Vice President Madden invited him to Ames to discuss the Recreation/Athletic Facility project. He said he had no objections to the recommendation. He pointed out that the negotiated changes amounted to \$846,690. It turns out the cost consultant on this project was off by 25 percent.

Vice President Madden said university officials have had a number of discussions with the costing firm and will hold further negotiations next week. They are taking under advisement certain suggestions made by university officials concerning the redesign fees. He added that the firm has been paid.

Regent Tyler said the university was not at fault -- the cost consultant was.

Acting President Harris asked what occurs after a building is designed and the architect gives an estimate as to what it will cost for the completion of the facility.

Vice President Madden said that depending on the size and complexity of the project they may hire cost consultants. Their charge is to work with the architect as the plan develops. At the 95 percent completion point of the planning the cost consultants are required to give their estimates. That occurred in this project.

Acting President Harris asked if a performance bond is required for the cost contractor.

Vice President Madden said that it was. He said the fee schedule requires them to provide cost estimates at particular points during the planning process.

President Eaton said he flinched when he heard the cost of the fee was \$40-50,000. He noted that the university teaches construction science and questioned whether it would be practical to use their own people to perform the costing.

Vice President Madden said the cost consultants keep close track of projects in the central Iowa area and activity in the market. There are 3-4 firms in central Iowa that do cost estimating.

Laboratory Animal Facilities--

Partial Renovations

Amended Budget \$472,000

Source of Funds:	National Institute of Health Grant	\$196,574
	Building Repair Fund or Income from Treasurer's Temporary Investments	\$275,426

Preliminary Budget

Construction Contract	\$336,090
Design Services	42,000
Construction Administration	16,500
University Services	7,000
Miscellaneous	500
Movable Equipment	34,400
Reserved for Future Contracts and Contract Changes	<u>35,510</u>
TOTAL	\$472,000 =====

The university proposed to amend the project budget by reducing the movable equipment and increasing the construction budget. Additionally, the university requested that the Board approve a negotiated agreement with the low bidder on the construction project, Sioux Contractors, Inc. The low bid on the project exceeded the construction budget by \$44,000.

VMRI Building No. 6--Remodeling \$250,000
 Source of Funds: Building Repair Fund

Preliminary Budget

Construction Contract	\$157,000
Design Services	23,500
Construction Administration	8,800
University Services	400
Miscellaneous	200
Utility Extensions	30,000
Fixed Equipment	15,000
Telecommunications	100
Reserved for Future Contracts and Contract Changes	<u>15,000</u>
TOTAL	\$250,000 =====

This project is one of four projects to be funded with \$2 million in additional appropriations provided by the Governor and General Assembly for purposes of constructing animal research facilities. This project will support space for viral enteric disease research.

* * * * *

The university 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.

Two of the projects to be initiated for less than \$200,000 include the Central Campus Parking Lot Extension for \$170,000 and repair of a vandalized laboratory in Gilman Hall. The vandalism-related repairs are expected to cost \$50,800. The Central Campus Parking Lot facility is to accommodate 140 spaces for use by faculty and staff. The university reported this parking lot is to be located east of the Ruminant Nutrition Laboratory and will compensate for other parking spaces being taken out of service due to new buildings.

The university reported that on May 13, 1988, vandals broke into the Protein Lab which is housed in Room 335-F of Gilman Hall. Dry chemicals were sprayed throughout the laboratory, including on analytical instruments. The project is to repair and clean the laboratory and the instruments, as well as to replace lost laboratory supplies. The university reported that the instrumentation was less than one year old and under warranty. The laboratory provided services to the entire campus and the university reported it will have a deleterious effect on many research projects. The university is in the process of requesting funds through the State Executive Council, as provided in Chapter 29C of the Code. The Board Office requested that the university provide an update as to what action has been taken to determine who vandalized the laboratory.

CONSULTANT AGREEMENTS

The university requested approval of the consultant selection on one project:

<u>Molecular Biology Building</u>	<u>\$10,650</u>
Stanley Consultants, Inc., Muscatine, Iowa (Engineering Services)	

The university reported a need to utilize the engineering services of Stanley Consultants to a design electrical duct bank and manhole system from the heating plant to the site of the electrical substation serving the Molecular Biology Building. Stanley Consultants has been employed along with Hansen Lind Meyer, Inc., as the architectural and engineering service providers for the Molecular Biology Building project.

CONSTRUCTION CONTRACTS

The university requested approval of the following construction contracts:

Recreation/Athletic Facility \$11,177,308
Award to: McHan Construction, Inc., Sioux City, Iowa

The Board was recommended to reject all bids for this construction project and to award the contract to McHan Construction, Inc., for \$11,177,308 as negotiated by the university and its consultant, Bussard/Dikis Associates. The Board Office consulted with the Attorney General's Office on this procedure.

Laboratory Animal Facilities--Partial Renovations \$339,485
Award to: Sioux Contractors, Inc., Sioux City, Iowa

The university reported that the apparent low bid by Sioux Contractors, Inc., exceeded the architect's construction estimate by \$44,000. The university completed negotiations with the low bidder and requested that the Board reject all bids and approve the contract award to Sioux Contractors at the negotiated price of \$339,485. The university reported that the reductions in the construction work include deletion of some exterior concrete work, changing cabinetry supplies, and a change in the metal building and boiler manufacturer. It was also indicated that existing lighting fixtures would be re-used to save additional funds.

The university had not indicated why it was appropriate under the circumstances to reject all bids and negotiate with the low bidder rather than redesigning and re-bidding the project. The extraordinary circumstances involved in the decision to negotiate the construction contract for the Recreation/Athletic Facility were explained to the Board last month. It was appropriate that the university explain to the Board at the meeting the reason why this action is needed. The Board Office recommendation was that this contract be awarded by the Board subject to satisfactory explanation of the need to move forward without re-bidding. The university was also requested to explain why the bids were substantially over the consultant's projections.

Vice President Madden said the original estimates were not accurate for this type of facility. Steel prices seem to be rising. He said the reason university officials recommended approval of contract with negotiated changes was because to redesign the project would cost another \$33,000, a four month delay would probably occur, the College of Veterinary Medicine teaching programs would be affected by this, and because they wanted to do the construction while students are out. He noted that the university has signed a contract with the state Racing Commission to perform drug testing on the Altoona race track horses.

FINAL REPORTS

The university submitted final reports on the following completed construction projects.

<u>Gilman Hall Renovations--Phase I</u>	<u>\$3,671,325.51</u>
<u>Accessibility Modifications for the Orthopedically Handicapped--Phase III</u>	<u>\$1,103,072.70</u>
<u>Hamilton Hall--Partial Remodeling</u>	<u>\$ 543,949.13</u>
<u>Printing and Publications Building--Roof Replacement</u>	<u>\$ 474,992.49</u>

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

IOWA STATE INNOVATION SYSTEM - CIMTECHNOLOGIES, INC. The Board Office recommended that the Board approve a lease with CIMTECHNOLOGIES, INC. for their use of 552 square feet of space (Room 104) in the Iowa State Innovation System incubator facility for six months commencing May 15, 1988, at a rent of \$1,656 for the term (additional space for current tenant).

The lease provides essential elements as follows:

BOARD'S STATUS: Landlord

LOCATION: Iowa State Innovation System Center (ISIS)

PROPERTY RENTED: Room 104

PERIOD: Six months, commencing May 15, 1988

RATE: \$6.00 per square foot per year

USE OF SPACE: Offices, research and development.

LIABILITY: Tenant is responsible for contents. Landlord is responsible for building. Tenant required to provide casualty and liability insurance protecting landlord in case of accidents or property damage (\$250,000)

HOLD HARMLESS CLAUSE: Yes

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

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

PARKING: Available on first come, first served basis.

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

MOTION: Regent VanGilst moved to approve the lease with CIMTECHNOLOGIES, INC., as presented. Regent Williams seconded the motion, and upon the roll being called, the following voted:
AYE: Duchen, Fitzgibbon, Greig, Harris, Tyler, VanGilst, Williams.
NAY: None.
ABSENT: Pomerantz, VanEkeren.

INDUSTRIAL SECURITY AGREEMENT. The Board Office recommended the Board approve the proposed resolution.

Federal regulations permit the adoption of resolutions such as the one proposed so that boards of trustees will reaffirm that they will not require access to classified information in the possession of the institution, and so that the Board members do not occupy positions that would enable them to affect adversely the organization's policies and practices in the performance of such contracts. The adoption of this resolution is necessary to allow the university to continue to keep its status as a "cleared facility" with the federal government. This industrial security agreement is a revision of the agreement approved by the Board in January 1988. It has been revised to reflect changes in the university's organization structure and job titles.

MOTION: Regent Duchen moved to approve the proposed resolution. Regent Tyler seconded the motion, and it carried unanimously.

DORMITORY IMPROVEMENT FUND TRANSFER. The Board Office recommended the Board defer consideration of the transfer to the July Board meeting.

This proposed transfer of funds from the surplus fund to the improvement fund is to partially support a proposed \$1.2 million repair, replacement, and renovation program.

Director True stated that the Board Office originally recommended deferring action on the transfer because of a misunderstanding. The Board Office subsequently discussed this matter with university officials and recommended approval.

MOTION: Regent Tyler moved to approve the dormitory improvement fund transfer. Regent Greig seconded the motion, and it carried unanimously.

1988-89 FINAL BUDGET. The Board Office recommended the Board (1) Receive the proposed Iowa State University General Program final operating budgets for fiscal year 1989 and authorize the university to utilize this budget until final review by the Board at the July meeting.

General University	\$ 189,826,166
Agriculture and Home Economics Experiment Station	18,194,503
Cooperative Extension Service in Agriculture and Home Economics	<u>22,087,122</u>
TOTAL	\$ 230,107,791

(2) Receive final budget for the University Residence System for fiscal year 1989.

The only changes from preliminary budgets approved by the Board in May were in adjustments necessary to accommodate a reallocation from supplies and services to salaries and lower than anticipated health insurance costs.

The university residence system budget was changed since the Board authorized preliminary approval in March. The expenditures were increased by approximately \$700,000 with no increase in revenues. This means that less revenue is available for the voluntary reserve. The Board Office recommended delay of approval until further information can be provided by the university.

Iowa State University expects to achieve average 10.8 percent increases in salaries for continuing faculty. The increases are funded through a combination of state salary adjustment funds, increased tuition revenues and internal reallocations.

The salary increases reported by the university by college range from 6.3 percent for Veterinary Medicine to 13.3 percent for Engineering. Professional and Scientific staff increases are expected to average 7.5 percent. General Services staff salaries will increase in accordance with collective bargaining agreements.

The range of increase for instructional budgets is from 4.9 percent for the College of Family and Consumer Science to 19.5 percent for the College of Business.

There has been substantial increase in the International Affairs program in fiscal year 1988 and fiscal year 1989. Over a 150 percent increase since fiscal year 1989 has occurred, resulting in a proposed budget of \$882,000.

The budgeted full-time equivalent enrollment for fiscal year 1989 is 911 students below the fiscal year 1988 enrollment. The university is concerned

about potential budget changes required if actual fiscal year 1989 enrollments are below budgeted enrollments.

The university proposed to shift \$165,555 of the appropriated salary adjustment funds from the General University budget to the Experiment Station and the Cooperative Extension Service. The university has built this shift into their proposed budget numbers. The Board Office recommended that the appropriated salary allocation funds be distributed providing the same percentage increase for each budget unit.

The university reported that unfunded costs associated with opening of new buildings and the debt service for the fluidized bed boiler have had an impact on the Physical Plant budget. The university believes that substantial additional funds may be needed to accommodate project fiscal year 1990 Physical Plant costs.

The university reported in detail on the results of its processes for internal reallocation. Reallocation was essential in order to support salary policies and the continued development of academic programs.

The largest increases in instructional budgets are in the College of Business and the College of Engineering.

The Board approved in May the salary adjustment distribution for each of the operating units of the institutions. The adjustment gave each unit the same percentage increase on the prior years base salary budget. The Board-approved schedule was the same as what had been presented to the legislature and subsequently approved by the Department of Management. This schedule was recommended by the Board Office upon the assumption that each of the individual budget units should be treated alike and receive the same percentage salary increase from state appropriations.

Iowa State University's final budget request contained a request to shift \$165,555 in state salary adjustment funds from the General University to the Cooperative Extension Service and the Agriculture Experiment Station. The largest portion of the shift would transfer \$162,384 to the Agricultural Experiment Station. The university reported that these funds are to address a problem created in fiscal year 1985. That year funding for salary increases for dual appointments was funded disproportionately by the General University. The university asserted that the proposed shift of \$162,384 would correct the disproportionate funding.

Salary Adjustment Distribution

	<u>Board Approved Distribution</u>	<u>ISU Request</u>	<u>Difference</u>
General University	\$7,983,405	\$7,817,850	\$165,555
Cooperative Extension	957,996	961,167	(3,171)
Ag. Experiment Station	<u>812,042</u>	<u>974,426</u>	<u>(162,384)</u>
	\$9,753,443	\$9,753,443	----

The Board Office recommended that the salary distribution remain the same as adopted by the Board in May.

The university reported average university-wide continuing faculty salary increases of 10.8 percent have been achieved. The university included in its budget material an analysis of the salary increases by department. The university reported the following faculty percentage increases for all ranks:

Average Percent Faculty Salary Increases
 1988-89

<u>College</u>	<u>All Ranks</u>	<u>Number of Faculty</u>
Agriculture	11.4 percent	208
Business	10.3	42
Design	9.3	80
Education	9.6	128
Engineering	13.2	229
Family and Consumer Science	9.2	96
Sciences and Humanities	10.4	507
Veterinary Medicine	6.3	89

Mr. Richey stated that the Board Office had indicated there were some major differences in the amount of salary increases given for the individual colleges. Those increases ranged from 6 to 13 percent. He said that looking at the individual colleges in terms of what the university allocated for faculty salaries the difference was only of two percent. There were choices made within the colleges.

Vice President Madden provided Board members with the following table:

IOWA STATE UNIVERSITY
June 22-23, 1988

<u>College</u>	<u>Salary Allocation on 1987-88 Base % Increase</u>	<u>Actual Average Increase Achieved on Continuing Faculty thru College Internal Reallocation</u>
Agriculture	10.04%	11.35%
Business	9.54%	10.31%
Design	8.40%	9.32%
Education	8.46%	9.62%
Engineering	10.00%	13.27%
Family & Consumer Science	8.58%	9.26%
Sciences & Humanities	9.63%	10.42%
Veterinary Medicine	10.00%	6.32%
Library	8.00%	10.71%

Vice President Madden stated that university officials had attempted to address some of the things raised in the Board Office memorandum. He said there were a couple of issues that needed to be addressed in terms of the Board Office recommendation and the institutional planning that has gone on. One of the items was the salary adjustment distribution. As the university was preparing its detailed budget, there were two factors which caused them to deviate from an across-the-board distribution of salary adjustment funds to budget units. These factors were:

1. A request from the Agricultural Experiment Station to provide additional salary adjustment funds so that salaries of several faculty members on split appointment between the Agricultural Experiment Station and the Ag College could receive all of their 1989 salary adjustment in the Experiment Station budget. This request was intended to redress a shift of effort which occurred in 1985 when the Agricultural Experiment Station was unable to fund their share of salary increases. This shift amounted to \$120,000 including the associated fringe benefits.
2. The distribution of salary adjustment money to address gender equity concerns. The university felt that gender equity adjustments should be

made "off-the-top" of the salary adjustment pool so that the salary adjustment of male staff within the budget units would not be adversely affected. These shifts total \$45,555.

Mr. Richey said that years ago Iowa State University officials established a line item for the Experiment Station and the appropriations are based on that. The university now proposed to transfer \$165,000 from General University to the Ag Experiment Station. He said it was an issue they could get worked out by the July 15 meeting. It is a transfer in funding and if university officials felt it was programmatically desirable it should be no problem.

MOTION: Regent Fitzgibbon moved to approve the transfer of \$165,000 from the General University to the Ag Experiment Station line item. Regent Greig seconded the motion.

Regent Tyler asked if once the legislature makes an appropriation to a particular line item was transfer of those funds allowable?

Mr. Richey said they can request it be approved by the Department of Management, the Governor's Office and the legislative fiscal bureau. The matter would be explained to the Department of Management.

Regent Williams asked if there was any way to avoid this problem in the future.

Vice President Madden said it was difficult this year because the salary adjustment numbers are for a two-year period. The number base is lagging behind.

Mr. Richey said that if university officials knew it was going to happen when they made their budget request they should have requested it then.

Vice President Madden stated that until the salary policies are adopted they don't know how all of this will work out.

VOTE ON THE MOTION: The motion carried unanimously.

ACTION: Acting President Harris stated the Board, by general consent, (1) received the proposed Iowa State University General Program final operating budgets for fiscal year 1989 and authorized the university to utilize this budget until final review by the Board at the July meeting and (2) received the final budget for the University Residence System for fiscal year 1989.

APPOINTMENT OF SECRETARY AND APPOINTMENT OF TREASURER. The Board Office recommended the Board approve the reappointments of university secretary and treasurer.

The nominations for appointment were as follows:

JOAN THOMPSON, as university Treasurer for 1988-89 fiscal year. Annual budgeted salary will be \$58,000.

BERNARD RANDOL, Controller, as university Secretary for the 1988-89 fiscal year. Annual budgeted salary will be \$64,500.

MOTION: Regent Williams moved to approve the reappointments of university secretary and treasurer, as presented. Regent Greig seconded the motion, and it carried unanimously.

RESEARCH DEVELOPMENT CENTERS - FEDERAL INITIATIVES. The Board Office recommended the Board (1) Receive the report from Iowa State University regarding the university's research development efforts; (2) Remind the university of the need to submit proposals as required by the Board for any new centers or institutes (Procedural Guide, Section 6.06); and (3) Request that the Interinstitutional Committee take these proposed centers into consideration as it studies a "central office" and research consortium for potential interinstitutional cooperation endeavors.

Iowa State University has expanded its research and development efforts in recent years, particularly as they relate to federal initiatives. As a part of the university's strategic planning process, the university proposed an integrated research and development program to provide for expanded research in areas of critical importance to the university's research program and to the economy in Iowa.

The report notes that the university has grouped its center developments into three major areas: (1) Development Centers, which are those efforts where the university is pursuing facilities and programs for the establishment of new thrusts of research for the university; (2) Response Centers, where the university is responding to major federal opportunities for joint efforts; and (3) Genesis Centers, where the university is trying through internal reallocation of resources and space to develop responses to important research topics. A summary of the center developments the university has underway in these three areas are listed as follows:

Development Centers:

1. Center for Integrated Design, NDE, and Manufacturing Sciences

2. Center for Food and Agricultural Product Development
3. Center for New Industrial Materials
4. Microelectronics Research Center
5. Human Nutrition Research Center
6. Meat Irradiation Technology Center
7. Center for Materials Processing
8. Center for International Agricultural Trade Development
9. Soil Tilth Laboratory

Response Centers:

1. Space Engineering Center on Materials Reliability
2. Center for Analytical Instrumentation in Alien and Hostile Environments
3. Regional Transportation Center
4. Plant Science Center of Polygenic Expression
5. Center for Teacher Evaluation

Genesis Centers:

1. Center for Immunoenhancement
2. Center for Agricultural Toxicology
3. Center for Rural Health Development

The university reported that the integration of this program is complex and that it involves efforts to reallocate resources within the university which respond to both state and federal initiatives, many of which are driven by both pragmatic policy and funding decisions that are outside the control of the university.

The university included in its report a summary of a draft of the university's Research Center Development Plan for the 1989-92 time period.

IOWA STATE UNIVERSITY
June 22-23, 1988

The university reports that these plans are subject to continuing revision as university, state, and federal funding program priorities change. The university correctly noted that this plan will need to be incorporated into the university's strategic long-range plan along with the Board of Regents planning efforts.

The Board of Regents policy on approval of new centers and institutes needs to be followed in the implementation of centers and institutes not already approved by the Board. The proposed centers all appear to need state funding and therefore come under the Board's requirement for reporting and approval of new centers.

The Board policy on approval of centers is important because not too long ago the Board and the state were confronted with numerous requests from the universities to replace federal funding when the supporting funds were being reduced or terminated by the federal government. Many of these programs were initiated without Board approval. Moreover, the Board also needs to have an understanding of the overall direction of the university's research program which can only be gained from an in-depth consideration of proposals. This is needed in order for the Board to effectively carry out its governance role and to effectively plan interinstitutionally.

Many of these centers and institutes have potential for interinstitutional cooperation and collaboration and these opportunities ought to be taken advantage of. As the Interinstitutional Committee and its sub-committee study the feasibility of a central research office and the legislature's request for a research consortium, they should consider ways in which research interest at all three universities can be accommodated in areas of mutual interest. It should be noted that the Regional Transportation Center is a cooperative effort between Iowa State University and the University of Iowa.

President Eaton stated that Iowa State University is the land grant university in this state. He introduced Dr. Michael Crow, Assistant Director of the Ames Laboratory.

Dr. Crow stated that with the passage of the Hatch Act Iowa State University entered into partnership with the federal government for the conduct of research. Beginning in FY 1986, Iowa State University set on the course of establishing an R&D development program that would provide for expanded knowledge production in areas of critical importance to the social and economic future of Iowa. This program is based on the evolution of new R&D enterprises at the university that will simultaneously produce new knowledge and provide a means for some of this knowledge to either serve as the starter material for new economic enterprises or as a factor important in the siting of economic enterprises in Iowa. He said the outreach programs provided by the university are called "extension". Economic development assistance was identified as an expectation of the extension programs. Knowledge

disseminated from the campus to the community. He said that what he was presenting was simply a logical extension into the 20th century. The intention of all the centers is to improve the university's capacity to conduct research which is in turn designed to lead to the creation of new knowledge. The Ames Lab is example of what these new centers do for the economy of Iowa. Slightly more than half the programs are in agriculture. The Ames Lab has functioned for 40 years.

Dr. Crow stated that for the past 2-1/2 years he has worked with the Iowa Congressional delegation and with federal agencies for the funding of these centers. The first step in this process is to go to federal agencies and propose plans for facilities, centers and programs for their approval. After obtaining the approval of the federal agency they move to the Congressional Delegation. The Congressional Delegation directs the agency to provide the university with reallocated funds or to provide new funds. Through this process they have brought in tens of millions of dollars in new money. The intention is not that the federal monies will support this work ad infinitum. After the program is up and going they seek other funds to keep it going. He said he wanted to relieve the Board members by stating that university officials have no intention of putting the Board or the State on the spot to pick up funds at the end of the federal funding. From time to time they will come to the Board and seek some state money to support some of this work but they will use only the normal budgetary process when seeking state funding.

Regent Duchen asked if, in the creation of research development centers, university officials built new buildings or used present space.

President Eaton responded that it was a little of both.

Regent Duchen asked if there are any other universities in the United States that place a great deal of emphasis on research development centers.

President Eaton responded that there were; however, in the area of agriculture Iowa State University has no peers.

Regent Fitzgibbon asked if there was a conflict between the university's research development center efforts and Board policy.

Mr. Richey said the policy states that when there is a commitment of funds over \$25,000 it must receive Board approval. The policy also states that if there is to be an obligation of state funds other than what the institution can reallocate it requires Board approval.

Regent Fitzgibbon stated they needed to be sure that Board governance policies are adhered to. He said that personally he felt this was the direction they should be going -- out there getting the dollars.

IOWA STATE UNIVERSITY
June 22-23, 1988

Mr. Richey said the Board has delegated authority to the universities to seek funds and undertake programs as long as it can be done within existing resources. If it involves more than that it has to come to the Board first before pursuing the project.

Regent Tyler said that if they continue to maintain the dialogue and communication they shouldn't have any problems obtaining Board support.

Regent Duchen extended his personal congratulations and thanks to university officials. He said the presentation had been very meaningful. He noted that since the time President Eaton first arrived at Iowa State University had worked very hard to obtain federal funding.

Regent Duchen asked if the university had obtained any financial reward for the development of Turpenol B.

Vice President Madden said they had. Iowa State University is the preferred stockholder in the company and there is a royalty arrangement.

Vice President Madden stated university officials intend on getting the word out about what's happening in this area at the university. Later this summer and in the fall university officials will be making about 35 stops around Iowa to communicate what they are doing.

Regent VanGilst stated that approximately eight years ago a product was developed in Japan that he felt could have been developed here. He went to the Iowa State University research people and asked why they hadn't developed the product first. The response was that they had not sought research funds. Regent VanGilst said he was very pleased that the university now had a president who was willing to seek research funds in order to provide for the future of our state. He encouraged university officials to keep up the good work.

MOTION:

Regent VanGilst moved to (1) Receive the report from Iowa State University regarding the university's research development efforts; (2) Remind the university of the need to submit proposals as required by the Board for any new centers or institutes (Procedural Guide, Section 6.06); and (3) Request that the Interinstitutional Committee take these proposed centers into consideration as it studies a "central office" and research consortium for potential interinstitutional cooperation endeavors. Regent Williams seconded the motion, and it carried unanimously.

WOI-TV BOARD APPOINTMENT. The Board Office recommended the Board approve the appointment of Virgil S. Lagomarcino to the Board of Directors of the Iowa State University Broadcasting Corporation as a replacement for Robert Crom.

Robert L. Crom is on leave from the university and has resigned from the Board of Directors of the Iowa State University Broadcast Corporation. Virgil Lagomarcino's appointment to replace Dr. Crom would retain the balance on the Board of Directors between Iowa State University employees and outside directors. The university reported that Dean Lagomarcino has extensive experience with the educational services of WOI-TV and has been actively involved in the Teacher on Television Program.

Acting President Harris asked that university officials inform Dr. Lagomarcino that the Board felt he was an excellent person to serve in that capacity.

MOTION: Regent Tyler moved to approve the appointment of Virgil S. Lagomarcino to the Board of Directors of the Iowa State University Broadcasting Corporation as a replacement for Robert Crom. Regent Williams seconded the motion, and it carried unanimously.

LEASE WITH FORD PARTNERSHIP. The Board Office recommended that the Board approve a lease with 2730 FORD PARTNERSHIP for the use of approximately 625 square feet of space in the building at 2730 Ford Street, Ames, for a term of three months at a rent for the term of \$840, commencing June 15, 1988, and ending September 14, 1988.

The University has lost the use of a laboratory for the assembly and testing of a computer-driven flaw characterization system. The loss is temporary and is associated with renovation of the Microelectronics Research Center and staging activities in the area of the Applied Science Center Building. The space that is lost is specialized and can be replaced only by space which can accommodate the equipment used in this activity. No such space is available on campus. The space covered by this lease is satisfactory. The university sought to lease the space for three months until laboratory space is again available on campus.

The rental rate for the leased space is \$7.30 per square foot per year. This rate is considered by the university to be reasonable considering the use that will be made of it and the short term of the lease.

MOTION: Regent Fitzgibbon moved to approve the lease with 2730 FORD PARTNERSHIP, as presented. Regent Williams seconded the motion, and

IOWA STATE UNIVERSITY
June 22-23, 1988

upon the roll being called, the following
voted:

AYE: Duchon, Fitzgibbon, Greig, Harris,
Tyler, VanGilst, Williams.

NAY: None.

ABSENT: Pomerantz, VanEkeren.

Acting President Harris 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 22 and Thursday, June 23, 1988.

REGISTER OF PERSONNEL CHANGES. The Board Office recommended the Board approve the Register for the month of May 1988.

ACTION: Acting President Harris stated the Board approved the Register of Personnel Changes for the month of May 1988 as a consent item.

OTHER PERSONNEL TRANSACTIONS. The Board Office recommended that the Board approve the personnel transactions listed below:

Change of Title:

DR. PATRICIA GEADELMANN, from Director of State Relations to Director of Governmental Relations. The new title more accurately describes the duties of the position.

Change of Status:

WILLIAM D. CALHOUN from Acting Director of Development to Director of Special Gifts and Assistant Vice President for Development, effective July 1, 1988, through June 30, 1989, at a budgeted salary of \$45,600.

Resignation:

ELLEN S. LESLIE, Director of Alumni Relations, resigned effective June 3, 1988, to accept a position at the University of San Diego.

MOTION: Regent Williams moved to approve the personnel transactions, as presented. Regent Greig seconded the motion, and it carried unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended the Board approve the capital register. Approval of the \$6,151,000 contract with Pyropower Corporation was subject to adequate appropriations being available and certification by the Governor's Office of the availability of those appropriations by June 30, 1988.

The university reported four projects under \$200,000, which are either new project descriptions and budgets or proposed revisions in project budgets.

The Board had previously approved an \$80,000 budget for roof, gutter, and soffit repair of the Auditorium Building. The university now requested that the Board increase the budget to \$97,000. The university had bid this project and received only one bid which was above the construction budget. The university reformed the project and solicited bids again. Upon Board approval of this budget change, the university requested that authorization be granted to award a contract before the end of the fiscal year to allow this project to move forward before the commencement of the fall term.

Additional projects described in the capital register included remodeling of restrooms in the Auditorium Building (\$94,500), remodeling a portion of Baker Hall to be used for faculty and students as a guest lecture and seminar meeting room (\$41,000), and a computer room in the Industrial Technology Center (\$38,500).

* * * * *

The university requested that the Board reject all bids on a project to replace siding on university apartments. The low bid was \$108,000, well beyond the construction budget of \$73,000. The university proposed to redesign the project using a more economical siding and to re-bid.

The university requested the Board award several contracts on the Classroom/Office Building. The Classroom/Office Building was financed through the issuance of \$10.5 million in Academic Building Revenue Bonds. The university reported that all of the proposed awards were within the project construction budget.

General Construction Contract

Recommended award to the low bidder, Story Construction Company, Ames, Iowa. Five bids were received and the low bidder met the Targeted Small Business requirement of 2.75 percent.

Base Proposal of \$5,302,700, plus Alt. #1 of \$20,000, plus Alt. #4 of \$870, plus Alt. #6 of \$15,900, plus Alt. #7 of \$15,600, plus Alt. #12 of \$45,600, plus Alt. #13 of \$62,400, plus Alt. #16 of \$10,580 =

TOTAL RECOMMENDED AWARD OF \$5,473,650

Mechanical Construction Contract

The university recommended the award to the low bidder, Young Plumbing and Heating, Waterloo, Iowa. The low bidder met the Targeted Small Business requirement of 1.5 percent of the base proposal. The low bid is as follows:

Base Proposal of \$1,627,500, plus Alt. #4 of \$13,700, plus Alt. #20 of \$31,000 =

TOTAL RECOMMENDED AWARD OF \$1,672,200

Electrical Construction Contract

The university recommended award to the low bidder, Paulsen Electric Company, Waterloo, Iowa. The low bidder met the 1.5 percent Targeted Small Business requirement. The low bid is as follows:

Base Proposal of \$649,529, deduct Alt. #4a of \$5,300 =

TOTAL RECOMMENDED AWARD OF \$644,229

* * * * *

The university recommended that the Board award a contract to Pyropower Corporation and authorize the Executive Secretary to approve the final negotiated contract upon certification of sufficient appropriations by June 30, 1988.

This project is a \$11.1 million boiler replacement. On January 26, 1988, the university advertised for bids on the boiler fabrication. On April 5, 1988, the university received two bids for the boiler fabrication. The apparent low bidder was Pyropower Corporation with a bid of \$6,151,000 for the 105,000 lbs. per hour boiler. The second low bid was approximately \$550,000 higher in price. The university has been working to extend the apparent low bidder's bid until funding for the project was available.

During the last legislative session the \$11.1 million required for this project was appropriated by the General Assembly subject to the availability of fiscal year 1988 and 1989 funds. The appropriation required that the Governor certify that there is an ending balance of \$61.7 million prior to releasing money for the University of Northern Iowa Power Plant Replacement project. It is still very uncertain as to whether or not adequate funds will be available and the date at which the Governor will be able to certify the ending balance.

Pat Cavanaugh, the Director of the Department of Management, indicated that state general fund receipts through mid-June have been below June of last year. He indicated that it is less certain than it was several weeks ago as to whether funds would eventually be available for appropriation to this project. Further, Mr. Cavanaugh believes that it is likely to be well into July before a certification is possible. He indicated it was his responsibility to make sure that there is \$61.7 million balance before certification can be made. In addition to some uncertainty as to state revenues during the month of June, reversion from state departments must be

calculated and considered in the year-end balance. State departments are not required to report reversions until September, although under normal circumstances a reasonable estimate can be made earlier.

The university's capital register requested that the Board of Regents Executive Secretary be authorized to award the contract to Pyropower Corporation upon certification of sufficient state appropriations by June 30, 1988. If certification of adequate funds is made by the Governor after June 30, 1988, the award is to be referred to the Board for action at its July meeting.

Although Pyropower Corporation agreed to extend its bid through June 30, 1988, it indicated that it cannot hold prices of its suppliers past that point. After June 30, an additional price of up to \$81,400 would be required under the company's proposal. With this additional cost past July 1, the Pyropower Corporation bid is still substantially below the second low bid.

Director True stated that yesterday Board Office staff, University of Northern Iowa officials and Regent Tyler reviewed this project.

MOTION:

Regent Tyler moved that following June 30, 1988, should adequate appropriations be certified by the Governor, to authorize the executive secretary to reject all bids and award a negotiated contract to Pyropower Corporation based upon the understanding and price increases cited by Pyropower Corporation in its letter of June 14, 1988. Regent Greig seconded the motion.

Regent Tyler stated that although this may be an unusual step, unless the Board takes action it could mean severe additional cost to the state.

President Curris said the boiler replacement project has several components, the largest of which is the boiler itself. There is peripheral equipment that must be designed and bid in a new contract which will be designed based upon a specific boiler. He said the immediate concern is an amount to cover this contract. University officials can proceed to award at least the first contract as there is some escalation of costs in the event the contract cannot be awarded by June 30. He said he appreciated the support of the Banking Committee and the full Board in addressing this issue.

Regent Tyler noted that handling the boiler project in this manner will save the taxpayers of Iowa \$4 million.

VOTE ON THE MOTION:

The motion carried unanimously.

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

FINAL LINE BUDGET, 1988-89. The Board Office recommended the Board (1) receive the fiscal year 1989 final general fund budget of \$65,789,165 for the University of Northern Iowa and authorize the university to utilize this budget until final review by the Board at its July meeting and (2) receive the final budget for the University Residence System for fiscal year 1989 with budgeted operating expenditures of \$9,526,000.

The proposed final operating budget differs from the preliminary budget approved by the Board in May through the shifting of \$32,951 of salary expenditures to non-salary expenditures.

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

Approximately 90 percent of all increased funding received will be allotted to salaries. The estimated increases for faculty and professional and scientific are 10 percent and 7.5 percent respectively.

Non-salary expenditures for the University of Northern Iowa are budgeted to increase by \$488,987. More than half of this increase is for student financial aid to offset the impact of increased tuition rates.

The School of Business instructional budget is proposed to increase by 13.1 percent for fiscal year 1989, whereas the College of Education instructional budget is proposed to increase by 6.7 percent.

The University of Northern Iowa has budgeted approximately \$40,000 for an early childhood development program authorized by the legislature. The Board still needs to take action to decide on the appropriate location for the childhood development center.

University officials also indicated that they have budgeted approximately \$80,000 for faculty positions to implement the new general education program.

Vice President Martin stated that a major thrust of the budget is the introduction of the new general education programs. He noted that they had made some progress in reducing their dependence on part-time and temporary staff. University officials made some reallocation of funds to the school of business. At the University of Northern Iowa all vacant positions are eligible for redistribution and reallocation although most of those go back to the same program and the same department. Some adjustment was made in supplies and services for the academic departments. Budgetary provisions were also made for the Center for Child Development.

Regent Williams asked for clarification of the Early Child Development Center project.

Mr. Richey said the Interinstitutional Committee on Educational Coordination was unable to reach a conclusion at their last meeting.

Vice President Martin said they could have a recommendation tomorrow.

Vice President Moll stated that after looking further at this legislation he felt it was not a simple issue. He was not convinced it was one they should try to do quickly.

Vice President Martin said it was essential that the committee make a recommendation and the Board decide the matter by July.

ACTION: Acting President Harris stated the Board, by general consent, (1) received the fiscal year 1989 final general fund budget of \$65,789,165 for the University of Northern Iowa and authorized the university to utilize this budget until final review by the Board at its July meeting and (2) received the final budget for the University Residence System for fiscal year 1989 with budgeted operating expenditures of \$9,526,000.

BUDGET CEILING INCREASE, 1987-88. The Board Office recommended the Board approve the proposed fiscal year 1988 budget ceiling increase of \$240,000 for the general university and direct that in the future the university more promptly provide the Board these requests.

The University of Northern Iowa requested Board approval of a \$240,000 increase in the previously-approved fiscal year 1988 operating revenue and expense budgets for the general university.

The university increases are from higher than budgeted student tuition and from additional income from application fees, reinstatement fees, and vending machine commissions.

The additional funds are proposed to be obligated toward building repairs.

MOTION: Regent Tyler moved to approve the proposed fiscal year 1988 budget ceiling increase of \$240,000 for the general university and direct that in the future the university more promptly provide the Board these

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

REAPPOINTMENT OF UNIVERSITY SECRETARY, UNIVERSITY TREASURER, AND DIRECTOR OF THE AFFIRMATIVE ACTION PROGRAM. The Board Office recommended the Board approve the reappointments of university secretary, treasurer and affirmative action officer.

In accordance with the Board of Regents Procedural Guide, secretaries, affirmative action officers, and treasurers must be nominated by the executive heads of the institutions and approved by the Board annually. These nominations were as follows:

JOHN CONNER, Vice President for Administration and Finance, as university Treasurer for 1988-89 fiscal year. Annual budgeted salary will be \$84,200.

GARY SHONTZ, Controller, as university Secretary for the 1988-89 fiscal year. Annual budgeted salary will be \$48,300.

WINSTON BURT as Affirmative Action Director for the 1988-89 fiscal year, at an annual budgeted salary of \$46,500.

MOTION:

Regent Duchon moved to approve the reappointments of university secretary, treasurer and affirmative action officer, as presented. Regent Fitzgibbon seconded the motion, and upon the roll being called, the following voted:

AYE: Duchon, Fitzgibbon, Greig, Harris, Tyler, VanGilst, Williams.

NAY: None.

ABSENT: Pomerantz, VanEkeren.

Acting President Harris 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 Thursday, June 23, 1988.

RATIFICATION OF ACTIONS REPORTED IN THE REGISTER OF PERSONNEL CHANGES FOR THE MONTH OF MAY 1988. The Board Office recommended the Board approve the register for the month of May 1988.

ACTION: Acting President Harris stated the Board approved the Register of Personnel Changes for the month of May 1988 as a consent item.

APPROVAL OF APPOINTMENTS. The Board Office recommended that the Board approve the appointments as listed below.

TRACY BAER as Treasurer for the fiscal year beginning July 1, 1988, at an annual salary of \$31,000.

NORMA MORFORD as Secretary for the fiscal year beginning July 1, 1988, at an annual salary of \$31,536.

JULIE EBERS as Affirmative Action Officer for the fiscal year beginning July 1, 1988, at an annual salary of \$27,314.

Approval of the following appointment was also recommended:

KEVIN T. WILLIAMS as Student Ombudsman/Communication Specialist effective August 1, 1988, at an annual salary of \$22,000.

Superintendent Johnson stated school officials conducted a nationwide search to fill the Student Ombudsman/Communication Specialist position. He said he was pleased to recommend the appointment of Kevin Williams. He noted that Board members were probably familiar with Mr. Williams since he had been interpreting for Superintendent Johnson at the Board meetings for several months.

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

NAMING OF BUILDING AT IOWA SCHOOL FOR THE DEAF. The Board Office recommended the Board approve the request to name the high school building at the Iowa School for the Deaf the Dr. J. Schuyler Long School Building.

The Iowa School for the Deaf and the Iowa Association for the Deaf recommended to the Board that the high school be named after Dr. J. Schuyler Long, who served as a teacher, scholar, writer, and principal for more than 30 years at the Iowa School for the Deaf. He was very active in the Association for the Deaf soon after its founding in 1881 until his death in 1933.

MOTION: Regent Duchen moved to name the high school building at the Iowa School for the Deaf the Dr. J. Schuyler Long School Building. Regent Greig seconded the motion, and it carried unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS FOR THE MONTH OF MAY 1988. The Board Office recommended the Board approve the register and authorize the school to proceed with projects on the register subject to adequate fiscal year 1988 funding and sufficient time in the balance of this fiscal year to attain competitive prices for contract work to be performed.

Superintendent Johnson recently requested the Executive Secretary to authorize a variety of building repair and construction projects. Several of the projects were authorized subject to Board ratification at the June meeting. A few of the projects were not authorized by the Executive Secretary and the school was informed that the Board would need to approve the projects before they could proceed.

The following projects were approved by the Executive Secretary, subject to Board ratification:

Refurbishing of the assistant superintendent's residence	<u>\$2,000</u>
Repair of a leaking sewer line	<u>\$15,000</u>
Steam valve replacement	<u>\$5,187</u>
Replacement of deteriorating retaining wall	<u>\$1,000</u>
Waterline replacement near the school Health Center	<u>\$2,000</u>
Window repair on the Elementary School	<u>\$8,000</u>
Cover approximately 8,000 square feet of exposed wood paneling in the high school with vinyl-coated and fire-rated gypsum board. This was a requirement of the State Fire Marshal's Office.	<u>\$13,000</u>
Remodel several offices in the main building to accommodate the Director of Student Life, the Assistant Superintendent,	

the Superintendent and several support staff. The superintendent's office would be moved across the hall from its existing location into the remodeled conference room.	<u>\$5,000</u>
Repairs to the business administrator's residence	<u>\$7,500</u>
Roofing repairs for the Elementary School, Girl's Dormitory and the High School	<u>\$3,370</u>

The above projects were approved by the Executive Secretary with the understanding that adequate fiscal year 1988 funds are available to meet the costs of these projects. The school assured the Board Office that funds are available to accomplish these projects.

* * * * *

The school requested an addition to the superintendent's residence sufficient for a kitchen eating area. This expansion would involve approximately 144 square feet. Wilscam Birge and Associates estimated the project cost at \$14,400.

The school requested the construction of approximately 250 square feet of additional space in the assistant superintendent's residence to accommodate a master bedroom and bathroom. Wilscam Birge and Associates estimated that the cost to prepare the basic foundation and add structural elements of the space would be approximately \$10,000. School officials indicated that equipment elements and finished construction work would be provided by the school and not contracted.

Superintendent Johnson stated the assistant superintendent was asked to move on campus because Superintendent Johnson believes that one of them should always be on campus. He said the house is very small, contains one bathroom and the bedrooms are about 10' x 12'. It would make it a little more comfortable if they could add a second bathroom. He said most of the work would be done by school staff.

MOTION:

Regent Tyler moved to approve the register and authorize the school to proceed with projects on the register subject to adequate fiscal year 1988 funding and sufficient time in the balance of this fiscal year to attain competitive prices for contract work to be performed. Regent Williams seconded the motion, and it carried unanimously.

Regent Duchen asked what kind of condition the dormitories are in. He noted that one of the highest priorities of the Board this year was to pay attention to the condition of the dormitories.

Superintendent Johnson stated that much of the painting and electrical work has been done. They are now installing the carpet. The furniture has been ordered. He said the only problem they may encounter is that the furniture is scheduled to arrive the same week school starts.

APPROVAL OF FINAL BUDGET. The Board Office recommended the Board receive the proposed fiscal year 1989 final budget of \$5,357,600 for the Iowa School for the Deaf and authorize the university to utilize this budget until final review by the Board at its July meeting.

The school proposed changing the preliminary budget approved by the Board in May by shifting \$9,887 from supplies and services to salaries. This adjustment is needed to cover the anticipated costs of salary and fringe benefit increases.

Within the salary category expenditure funds are shifted from faculty and professional and scientific staff categories to fully fund the anticipated general service staff salary requirements. No change in the number of positions has occurred since Board action on the preliminary budget.

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

All new funding in fiscal year 1989 will be expended for salaries.

Appropriations are over 98 percent of expected revenue for fiscal year 1989. Appropriations are expected to increase by \$228,714 and are the only budgeted revenue source increase.

The school has not yet submitted to the Board its federal Chapter I proposed budget for fiscal year 1989.

Although proposed utility and supplies and services budgets are at approximately the same level as in fiscal year 1987, they substantially exceed fiscal year 1988 levels and should be reviewed further.

The superintendent's salary should be incorporated into the budget following Board action in July.

ACTION:

Acting President Harris stated the Board received the proposed fiscal year 1989 final budget of \$5,357,600 for the Iowa School for the Deaf and authorized the school to utilize this budget until final review by the Board at its July meeting by general consent.

IOWA SCHOOL FOR THE DEAF
June 22-23, 1988

Acting President Harris 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 Thursday, June 23, 1988.

RATIFICATION OF ACTIONS REPORTED IN THE REGISTER OF PERSONNEL CHANGES FOR MAY 1 TO MAY 28, 1988. The Board Office recommended the Board approve the register for the period May 1 to May 28, 1988.

ACTION: Acting President Harris stated the Board approved the Register of Personnel Changes for the period May 1 to May 28, 1988, as a consent item.

APPOINTMENT OF AFFIRMATIVE ACTION OFFICER AND SECRETARY-TREASURER, 1988-1989. The Board Office recommended the Board approve the appointments as listed below.

SCOTT R. HAUSER as Secretary-Treasurer for the fiscal year beginning July 1, 1988, at an annual salary of \$34,240.

JOHN W. HAMLING as Affirmative Action Officer for the fiscal year beginning July 1, 1988, at an annual salary of \$13,510

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

APPROVAL OF OCCUPATIONAL AND PHYSICAL THERAPY CONTRACTS. The Board Office recommended that the Board approve renewal of agreement with Karen Randall, OTR, to provide Occupational Therapy Services at a rate of \$25 per hour, not to exceed four hours per week and agreement with Virginia Gay Hospital, Vinton, for Physical Therapy Services at a rate of \$25 per hour, not to exceed four hours per week.

With the renewal of the agreement with Ms. Randall, occupational therapy services will be provided at the school for the 1988-89 academic year at the same hourly rate as the previous year.

The agreement with Virginia Gay Hospital, secured by a bid process, will provide required physical therapy to students at the rate of \$25 per hour for the 1988-89 school which is lower than the 1987-88 rate paid under an agreement with Covenant Medical Center, Waterloo.

MOTION:

Regent Williams moved to approve renewal of agreement with Karen Randall, OTR, to provide Occupational Therapy Services at a rate of \$25 per hour, not to exceed four hours per week and agreement with Virginia Gay Hospital, Vinton, for Physical Therapy Services at a rate of \$25 per hour, not to exceed four hours per week. Regent Tyler seconded the motion, and it carried unanimously.

POLICIES CONCERNING CHRONIC COMMUNICABLE DISEASES. The Board Office recommended the Board approve the two policies and procedures and an implementation program on chronic communicable diseases at the Iowa Braille and Sight Saving School.

The Iowa Braille and Sight Saving School proposed two policies and procedures regarding chronic communicable diseases. One policy is directed at students with chronic communicable diseases and the other is for employees with chronic communicable diseases. The school also proposed an implementation program for chronic communicable diseases.

All three items were reviewed by an epidemiologist at the University of Iowa Hospitals and Clinics and by appropriate personnel in the Iowa Department of Public Health.

These policies received appropriate review by knowledgeable persons in the health field and appear to address an area of major concern at the school. They are also consistent with state and federal laws for serving the handicapped and were reviewed by the Personnel unit in the Board Office.

Superintendent Thurman stated school officials have been working on these policies since last fall. They have researched what the state is recommending and what is going on nationally.

Regent Fitzgibbon asked if similar policies were expected of all the Regent institutions.

Acting President Harris said this was the only institution that had proposed a policy. He asked for a listing of some of the diseases.

Superintendent Thurman said that list would include hepatitis B, AIDs, pulmonary tuberculosis, chronic diarrhea, and a particular virus which is prevalent in blind people. He noted that the school's children tend to be in the hospital system more than other children.

Acting President Harris asked if the staff will have made available to them a list of these diseases.

Superintendent Thurman stated they would and would also be provided with in-servicing next year.

Regent Williams stated that school districts across the state are beginning to develop communicable diseases policies. The need is more acute with residential programs.

MOTION:

Regent Williams moved to approve the two policies and procedures and an implementation program on chronic communicable diseases at the Iowa Braille and Sight Saving School. Regent Fitzgibbon seconded the motion, and it carried unanimously.

REGISTER OF CAPITAL IMPROVEMENTS BUSINESS TRANSACTIONS.

Director Hauser presented the following supplemental docket item:

Iowa Braille and Sight Saving School officials requested Board approval to allow the lowest bidder for the service building roof replacement to withdraw their bid due to a clerical, mathematical error and accept the lowest responsive bid by Veterans Roofing Co.

Director Hauser stated that as approved at the April 1988 Board of Regents meeting school officials proceeded with the service building roof replacement. Bids were received and read publicly on June 16, 1988. The specifics of this project called basically for a membrane roof with a system warranty for ten years. The bid specification requested bids on one alternative. This alternative called for an additional ten-year system warranty. The lowest bid was for \$29,092. Subsequent to the bid date a mathematical error was discovered and the bid was withdrawn. The second lowest bid was for \$32,000 and did not bid the alternative. The third lowest bid was for \$32,464 and provided an additional warranty on the membrane only.

Mr. Richey stated the Board Office made sure that it was a true mathematical error and was clearly documented.

MOTION:

Regent Fitzgibbon moved to allow the lowest bidder for the service building roof replacement to withdraw their bid due to a clerical, mathematical error and accept the lowest responsive bid by Veterans Roofing Co. Regent Duchon seconded the motion, and it carried with Regent Tyler voting "no".

LEASE OF SPACE - VINTON COMMUNITY SCHOOLS AND KIRKWOOD COMMUNITY COLLEGE.

The Board Office recommended that the Board approve leases, as follows: with the VINTON COMMUNITY SCHOOLS for their use of approximately 3,118 square feet of space on the ground floor of Palmer Hall, for a period of one year commencing July 1, 1988, at an annual rent of \$2,525.58 plus a \$500 surcharge for deferred maintenance, plus a one-time charge of between \$1,000 and \$2,000 for the cost of moving certain IBSSS property from the area leased, plus a surcharge for the use of air conditioners at the rate of \$1 per day per air conditioner used; and with the KIRKWOOD COMMUNITY COLLEGE for the college's use of the first floor of the Old Hospital Building, for a period of one year commencing July 1, 1988, at an annual rent of \$4,950.

The Vinton Community Schools are in need of facilities for a central office. The Iowa Braille and Sight Saving School has space available in Palmer Hall which could be used for this purpose. There is presently some non-student use of this space. Vinton Community Schools have agreed to pay a one time charge of from \$1,000 to \$2,000 for removal of items in the area. Iowa Braille and Sight Saving School estimates that its cost for supplying heat and electricity to the area and general services is about 81-cents per square foot per year. As the space occupied amounts to approximately 3,118 square feet, the annual rental to cover the cost of utilities and services would be \$2,558.58. The Vinton schools agree to pay this rental fee plus contribute \$500 towards deferred maintenance.

The Vinton schools indicate that they would like to install air conditioners in the space. Iowa Braille has agreed that this can be done for a surcharge of \$1 per day per air conditioner installed, for 90-days operation in the summer.

The school noted that this space would not be available to the general public at this rate. This rate is anticipated to recover all of Iowa Braille's current costs associated with the property leased. It recognizes that Iowa Braille sends students to the Vinton Community Schools in a mainstreaming program and that the schools share other programs.

Kirkwood Community College has been a tenant in this space since 1981. The college uses the space to provide adult education and high school level academic and pre-career instruction to youth and adults who have not completed high school. The lease is calculated to recover Iowa Braille's current costs relative to the space leased.

Neither lease will interfere with the operation of the programs of the Iowa Braille and Sight Saving School.

Each tenant takes the property subject to reduced heat available during winter shut downs of the campus.

Iowa Braille and Sight Saving School is not able to separate utilities and certain services for these areas. Hence, they are considered in the school's 81-cents per square foot per year cost.

Tenants are required to carry liability insurance to protect Iowa Braille and Sight Saving School, the State and the Board.

Superintendent Thurman stated school officials were excited about the lease with Vinton Community Schools. He said the survival of a residential school is based on contact of students with public school students. Next year they will be integrating 15 students in public schools. Vinton Community Schools has been very good about integrating and have never charged Iowa Braille and Sight Saving School. He said that still leaves 75 percent of the students without contact with students of public schools.

MOTION:

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

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

NAY: None.

ABSENT: Pomerantz, VanEkeren.

APPROVAL OF LAUNDRY SERVICE CONTRACT. The Board Office recommended the Board approve a new laundry services contract with the Iowa Mental Health Institute, Independence, Iowa, as vendor.

The laundry services contract is targeted to go into effect July 1, 1988. The vendor services will be provided on a weekly basis and include supplying all linen, laundering basic institutional linen and providing replacements as needed.

The school will pay 16 cents per pound for laundered linens during the one year life of the contract. This cost includes all required linen replacement. The school agrees to provide all transportation costs associated with the contract. The 16 cent unit cost is the same price achieved by Iowa State University with a much higher volume of linen.

Either party of the contract may terminate providing there is a 60 day written notice. The contract may be changed by written agreement of both parties.

MOTION:

Regent Williams moved to approve a new laundry services contract with the Iowa Mental Health Institute, Independence, Iowa, as vendor. Regent Duchen seconded the motion, and it carried unanimously.

IOWA BRAILLE AND SIGHT SAVING SCHOOL
June 22-23, 1988

APPROVAL OF LARGE PRINT AGREEMENT WITH STATE OF IOWA DEPARTMENT OF EDUCATION.

The Board Office recommended the Board approve a new large print material contract with the Iowa Braille and Sight Saving School as supplier and the Iowa Department of Education as recipient.

This agreement puts into writing the arrangements between Iowa Braille and Sight Saving School and the Department of Education that have existed for seven years and increases the rate of reimbursement to the Iowa Braille and Sight Saving School for production of large print materials. The rate of reimbursement will increase from 23 cents to 50 cents per page.

The new reimbursement rate per page to Iowa Braille and Sight Saving School will yield approximately \$36,500 in new income. This income is in the school's proposed fiscal year 1989 budget.

The form was prepared in cooperation with the Department of Education and its representative with the State Attorney General's Office.

MOTION:

Regent Duchen moved to approve a new large print material contract with the Iowa Braille and Sight Saving School as supplier and the Iowa Department of Education as recipient. Regent Greig seconded the motion, and it carried unanimously.

APPROVAL OF FINAL BUDGET. The Board Office recommended the Board receive the proposed fiscal year 1989 final budget of \$3,089,562 for the Iowa Braille and Sight Saving School and authorize school officials to utilize this budget until final review by the Board at its July meeting. Authorization to convert diagnostician and preschool consultants to one-half time should be deferred subject to additional review.

The Board Office recommended the Board authorize the school to proceed until final budget review by the Board in July. The Board is expected to set salaries for institution heads at its July meeting.

The Iowa Braille and Sight Saving School final budget is the same in total as its preliminary budget approved by the Board in May. However, minor changes were proposed by the reallocation of \$5,920 among several salary expenditure categories. The reallocation had several components, the largest being the proposed increase of \$17,000 in converting the Diagnostician and Pre-school Consultant positions from half-time to full-time.

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

Appropriations are over 90 percent of all school revenue. The appropriated funds are expected to increase by \$83,688, or 3 percent this fiscal year.

The school final budget has an increase of \$243,694 for salary expenditures.

The non-salary expenditures budgeted for fiscal year 1989 are expected to be reduced by \$112,899 from the revised fiscal year 1988 budget. A large portion of this is coming from building repair reductions. Substantial building repairs are being accomplished with fiscal year 1988 funds which should offset fiscal year 1989 needs. Reallocation to building repairs will be necessary if unanticipated building needs arise.

The Board has previously authorized the use of \$35,000 in federal Chapter I funds for an Educational Consultant position.

The school proposed increasing a diagnostician and preschool consultant from half to full time.

The superintendent's salary should be incorporated into the budget following Board action in July.

Mr. Richey stated the request to convert diagnostician and preschool consultants from half-time to full-time would be brought back to the Board in July after he consults with Superintendent Thurman.

ACTION:

Acting President Harris stated the Board, by general consent, received the proposed fiscal year 1989 final budget of \$3,089,562 for the Iowa Braille and Sight Saving School and authorized school officials to utilize this budget until final review by the Board at its July meeting. Authorization to convert diagnostician and preschool consultants to one-half time was deferred subject to additional review.

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.

Superintendent Thurman stated he was pleased to announce that Regent VanGilst and Mr. Richey were planning to attend the Iowa Braille and Sight Saving School homecoming that weekend.

IOWA BRAILLE AND SIGHT SAVING SCHOOL
June 22-23, 1988

ADJOURNMENT. The meeting of the State Board of Regents adjourned at
12:05 p.m., on Thursday, June 23, 1988.



R. Wayne Richey
Executive Secretary