

The State Board of Regents met on Wednesday, March 11, and Thursday, March 12, 1987, at Iowa State University. The following were in attendance:

	<u>March 11</u>	<u>March 12</u>
<u>Members of State Board of Regents</u>		
Mr. McDonald, President	All sessions	All sessions
Dr. Harris	All sessions	All sessions
Mrs. Anderson	All sessions	All sessions
Mr. Duchen	All sessions	All sessions
Mrs. Murphy	All sessions	All sessions
Mr. VanGilst	All sessions	All sessions
Mr. Greig	All sessions	All sessions
Mr. Tyler	All sessions	All sessions
Miss VanEkeren	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
Assoc. Dir. Runner	All sessions	All sessions
Assoc. Dir. Stanley	All sessions	All sessions
Asst. Dir. Peters	All sessions	All sessions
Minutes Sec. Burn	All sessions	All sessions
<u>State University of Iowa</u>		
President Freedman	All sessions	Exc. 11:10 a.m.
Vice President Ellis	All sessions	Exc. 11:10 a.m.
Vice President Remington	All sessions	Exc. 11:10 a.m.
Vice President Hubbard	All sessions	Exc. 11:10 a.m.
Associate Vice President Small	All sessions	Exc. 11:10 a.m.
Asst. to President Mears	All sessions	Exc. 11:10 a.m.
Asst. to Vice President Davis	All sessions	Exc. 11:10 a.m.
Director Bauer	All sessions	Exc. 11:10 a.m.
<u>Iowa State University</u>		
President Eaton	All sessions	All sessions
Executive Vice President McCandless	All sessions	All sessions
Vice President Christensen	All sessions	All sessions
Vice President Madden	All sessions	All sessions
Director Lendt	All sessions	All sessions
<u>University of Northern Iowa</u>		
President Curris	All sessions	Exc. 11:15 a.m.
Provost Martin	All sessions	Exc. 11:15 a.m.
Vice President Conner	All sessions	Exc. 11:15 a.m.
Vice President Follon	All sessions	Exc. 11:15 a.m.
Director Chilcott	All sessions	Exc. 11:15 a.m.
Director Stinchfield		Exc. 11:15 a.m.
<u>Iowa School for the Deaf</u>		
Superintendent Giangreco	All sessions	Exc. 10:55 a.m.
Business Manager Kuehnhold	All sessions	Exc. 10:55 a.m.
<u>Iowa Braille and Sight Saving School</u>		
Acting Superintendent Young	All sessions	Exc. 10:00 a.m.
Business Manager Berry	All sessions	Exc. 10:00 a.m.

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The following business pertaining to general or miscellaneous business was transacted on Wednesday, March 11, and Thursday, March 12, 1987.

**APPROVAL OF MINUTES.** The minutes of the February 18-19, 1987, meeting and the Iowa State University Academic Planning Seminar of September 17 and October 15, 1986, were approved by general consent.

**REPORT ON SELECTION OF SUPERINTENDENT FOR THE IOWA BRAILLE AND SIGHT SAVING SCHOOL.** President McDonald stated that last December the Board of Regents approved procedures for the search, screen and selection of a new superintendent for the Iowa Braille and Sight Saving School. A committee chaired by Virgil Lagomarcino, Dean of the College of Education at Iowa State University, screened 22 qualified applicants recommended by the executive search firm of Francis & Associates and later interviewed seven individuals found to be the most qualified of those applicants for the position. In February, the committee recommended four individuals to the Board of Regents for consideration by the Board.

President McDonald said on Tuesday, March 10, the Board of Regents interviewed the four finalists for this important position. The four individuals were all highly qualified and were regarded as being leaders in the field of the education of the visually impaired.

**MOTION:**

Regent Murphy moved that the Board of Regents appoint William Dennis Thurman as Superintendent at the Iowa Braille and Sight Saving School effective June 15, 1987, at an annual salary of \$53,500 with usual benefits and moving expenses. As a condition of his employment, he will be required to live in the house provided. Regent Harris seconded the motion, and it carried unanimously.

President McDonald stated that the board believed Mr. Thurman to be an excellent choice. He said the selection of one individual to become superintendent was a difficult choice for the board because of the high quality of the four final candidates. He stated that ultimately, however, the individual selected seemed to best meet the needs of the Board of Regents and of the Iowa Braille and Sight Saving School at this time.

Mr. Thurman has had 23 years experience in education with the last 15 years being in visually impaired education. Currently he is Administrative Coordinator for both the School for the Blind and Vocational School at the South Carolina School for the Deaf and Blind. President McDonald stated the board looked forward to a long and productive relationship with Mr. Thurman.

President McDonald thanked the search committee chairman, Virgil Lagomarcino, for serving so well in this capacity. He said he had performed a great service for the Board of Regents, as well as for the Iowa Braille and Sight Saving School and the Iowa School for the Deaf, and the State of Iowa. He said an appropriate resolution commending Mr. Lagomarcino and thanking him for his work would be prepared.

**CONSENT DOCKET.** The items on the consent docket appear in the appropriate sections of these minutes and were approved by general consent of the board.

**REPORT ON MINORITY STUDENT RECRUITMENT.** The Board Office recommended that the board accept the Report and Recommendations of the Minority Student Recruitment Committee.

Vice President Martin stated that in April 1986, the Board Office recommended to the Board of Regents that the Interinstitutional Committee on Educational Coordination be asked to develop a report and recommendations for increasing minority student participation at the three Regent universities. The board approved this recommendation and in response the Interinstitutional Committee established a Committee on Minority Student Recruitment composed of Vernie Hawkins, Assistant Director of Admissions (ISU); George Jackson, Director of Minority Student Affairs; Noreen Hermansen, Assoc. Director Admissions (UNI); Charles Means, Assistant Vice President, Educational Opportunity Program (UNI); Philip Hubbard, Vice President Student Services (SUI); and Paul Shang, Director of Special Support Services (SUI). The report of the Committee on Minority Student Recruitment is on file in the Board Office and the report's recommendations are summarized below.

Each university should develop programs to identify, recruit, and retain minority students as follows:

- 1) Increase the enrollment of minority students to at least 8.5 percent in the undergraduate, graduate, and professional programs at each of the three universities by 1991.

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- 2) Improve the existing programs for outreach and recruitment by utilizing the services of community agencies, as well as the professional staff in high schools and community colleges, to inform minority students about the opportunities and requirements for admission to the universities.
- 3) Make high-quality video tapes featuring students, for use by admissions staff who travel to high schools and community colleges.
- 4) Provide financial assistance to minority students at all levels, undergraduate, graduate, and professional, to meet their full assessed need.
- 5) Create a special affirmative action fund at each university to expand the number of teaching and research assistantships available to minority graduate students.
- 6) Establish a fund to enable graduate departments and the professional colleges to bring outstanding minority candidates to campus for interviews with faculty in the respective department.
- 7) Encourage and reward excellence in scholarship by offering full financial academic scholarships to 20 incoming undergraduate students each year at Iowa State University and the University of Iowa, and to 10 students at the University of Northern Iowa.
- 8) Institute special transition programs at each university for students whose admission credentials expose academic weaknesses in spite of a high potential for success.
- 9) Make special efforts to ensure that the content of the curriculum as well as the ethnic composition of the faculty reflect the realities of a multicultural society.
- 10) Establish a campus visitation that will bring high school minority students to each Regents university.
- 11) Make effective use of our alumni and minority student organizations in recruiting minorities.
- 12) Produce a brochure for minority students that will assist students to be come better prepared for admission to a Regents institution.
- 13) Effective use of the media, television, radio and newspapers, could assist in the dissemination of educational information.

The Interinstitutional Committee reviewed the report and recommendations and endorsed the report enthusiastically, although it expressed some reservations and noted potential problems. The Interinstitutional Committee was concerned

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that the high aspirations in the report may be difficult to attain. The Interinstitutional Committee expressed specific concern about the recommendation to increase the enrollment of minority students to at least 8.5 percent in the undergraduate, graduate, and professional programs at each of the three universities by 1991. Such a goal would require an aggressive program of out-of-state recruitment heretofore not sanctioned by the Board of Regents. The Interinstitutional Committee also suggested an alternative goal of an incremental percentage increase at each institution rather than the 8.5 percentage of the total population.

A second area of concern for the Interinstitutional Committee was the provision of 20 "full financial scholarships" for new undergraduate minority students at the State University of Iowa and Iowa State University and 10 at the University of Northern Iowa. The Interinstitutional Committee noted that this would mean 20 or 10 scholarships for each of four years of undergraduate education. This would require 80 and 40 scholarships for the State University of Iowa/Iowa State University and the University of Northern Iowa, respectively.

The Board Office acknowledged reservations expressed by the Interinstitutional Committee but recommended that the goal of 8.5 percentage increase be adopted. The Board Office also recommended that the goal of 20 "full financial scholarships" be pursued vigorously by the board and the universities. These scholarships represent a rather modest goal given implications of not establishing the maximum number of scholarships.

The Committee on Minority Recruitment was congratulated for its comprehensive recommendations encompassing the recruitment, retention and financial support of minority students.

The Board Office believed that the recommended actions in addition to actions already underway would be necessary to address the need for increased minority student participation in higher education. These efforts, and others nationally, such as the five year minority student access project recently begun by the Educational Testing Services (ETS), are needed to combat the alarming decline in minority student participation.

Vice President Martin stated the goals were ambitious and would require aggressive out-of-state recruitment and student financial aid would be crucial to the success of the proposal.

Vice President Martin introduced Dr. Charles Means, Chairman of the Minority Student Recruitment Committee. Dr. Means thanked the board for having the opportunity to work on the report and introduced Vice President Hubbard who also served on the committee. He stated the 8.5 percent goal which the report recommended in each university's undergraduate, graduate and professional programs, was reasonable. He said the committee arrived at 8.5 percent because that is half the national percentage of college-age minority students. He said that to provide a quality education the universities

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should be dealing with a multicultural environment. He said it was realistic that it can be achieved, depending upon where the priorities are. He stated it was very important to understand the differences of culture and people in order to achieve the goals of the committee. He said he believed the goals were achievable with the support and commitments of the universities.

Regent Anderson noted there was a difference between the Interinstitutional Committee's recommendation and that of the Board Office.

Mr. Richey stated the Board Office recommendations were that the board establish the 8.5 percent figure as a goal rather than adopt it as a firm policy that must be met and the full financial scholarships be pursued vigorously as a goal and not as an immediate requirement. He indicated these recommendations were acceptable to the Interinstitutional Committee.

Regent Anderson expressed concern that the board may be setting the institutions up for failure.

Vice President Christensen stated that when the Interinstitutional Committee met with the committee that prepared the report, he expressed his concerns of whether the institutions would be able to meet the goals. The committee agreed the goal should be reassessed on an annual basis. He said he believed the goals may be too high at this point.

Regent Anderson asked if the scholarships were full financial scholarships or just academic scholarships. Vice President Martin replied the intention of the committee was that the scholarships be full tuition, room and board.

Vice President Remington noted that the three universities start toward the goal in somewhat different positions because they vary substantially in minority and non-resident enrollment. He added that the goal was substantially above the percentage population in the state.

Mr. Richey stated the board should review the program in a year to determine what progress had been made.

Vice President Hubbard stated the enrollment goal can be met at the University of Iowa, but it wouldn't be easy because of the declining number of minority students enrolling in college nationwide. The universities are doing a reasonably good job in recruiting in schools in Iowa which have significant number of minority students. He stated were strong programs at all three institutions. He noted many of the minority students needed further preparation before entering college. He stated that the quality of the programs in the out-of-state schools where many of the minority students were in attendance was not up to that of Iowa schools. An expanded summer program was needed for those minority students showing talent and promise but whose credentials showed the need for additional support in some fields.

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Regent Murphy asked Vice President Hubbard about the retention of minority students. Vice President Hubbard stated retention was comparable to retention as a whole, and it was something the students were working on.

Regent Harris asked if Vice President Hubbard was able to recall the actual number of minority students at the University of Iowa in both undergraduate and graduate schools. Vice President Hubbard stated there were 1,544. The only figures collected were those in the special programs of which 740 were in the undergraduate school, 127 in the graduate school, 72 in medicine, six in dentistry, and 51 in law.

Dr. Means stated that there was intense competition among minority students. He said the universities were faced with a retention factor and a financial aid problem. He said there were over 8,000 minority students in the state of Iowa and more focus should be put on recruiting those students and preparing these minority students for acquisition of a higher education. He believed the students needed role models to help them get excited about academics and there are not enough minorities in key positions in Iowa or at the faculty level. The universities are trying to send a signal to the minority students in the state that there is an opportunity for them to change their lives after obtaining an education.

Regent Harris stated this was a complex and very difficult problem. In terms of financial assistance he asked for further definition as to what would be included.

Vice President Hubbard said a category of other expenses was included, which would cover transportation costs to and from school and miscellaneous other expenses. He stated the students would be given assistance in handling their money.

Regent Harris stated that the students would require a great deal of counselling as they had never experienced managing money, and that should be an important factor in the new program in order to make it succeed. He said that whenever a black looks at promotional items or sees pictures on television about the universities in Iowa, they rarely see blacks or minorities included. He believed that when the minorities looked at these pictures and saw minorities pictured a message was sent out to them that they would be welcomed. He stated there should be an effort made to see that minorities were included in the photographs. He said the job of recruiting minorities was a difficult task but he believed it could be accomplished. He urged that the universities should start closer to home as there were a number of sizable minority communities in the state. He suggested that the universities establish contact with the principals of the high schools and let the principals know about the minority recruiting goals and ask them to identify the students who would be interested in attending college. After receiving the names, he stressed contact must be made with the parents or guardians of these students and the program explained thoroughly to them and

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specific benefits pointed out. He stated that black ministers throughout the state would be a good source of contact for help in recruiting minority students as well as alumni. He believed that recruiting Iowa minority students prior to going out-of-state would bring much greater success to the program. He said he would like in the near future to discuss with the university presidents some guidelines that should be followed when going into the large cities outside of Iowa. He expressed a desire to pass along to the presidents what black students had to say regarding recruitment in general.

Regent Anderson questioned the definition of minorities and stated she was concerned that the discussion was obviously centered around black and hispanic students. She said there was a growing number of Asians in the United States who were moving very quickly into higher education who could very easily fill up the percentage goals. She believed the board did not want to discourage these students but believed the scholarships would fill up very quickly if there were no controls on the program. She said when talking about all minorities there was a need to be very careful. She asked how the universities would address the issue and whether they would be sensitive to the issue.

Dr. Means stated that issue came up in the Interinstitutional Committee meetings. It was determined that they would focus on making a significant number of openings for blacks, hispanics, and American Indians. He said this did not mean they would not accept Asian students; however, there was a significant number of minorities in the three mentioned categories and the main focus would be on the students in those categories.

Vice President Martin stated there would be a special problem at the University of Northern Iowa because there was a low percentage of out-of-state students. He said the enrollment cap also would present a problem. He said money would be crucial, and he would like to see a legislative appropriation as well as private funding.

Regent Harris stated that the University of Northern Iowa did have a special problem and he strongly urged that whatever team went out to recruit it would be essential that one of the members not be associated with the college. He believed community minded people needed to be involved to recruit minority students.

President Curris thanked Regent Harris for his comments, and stated he believed the discussion to be very constructive. He said he also appreciated the comments of Dr. Martin. He stated the University of Northern Iowa has more serious problems because they are living with the legacy of mistakes of a few years ago. He said he believed the universities in Iowa were attempting to go against the tide and would only be successful if a lot of boards across the country would try to bring minorities into the mainstream of America far more than is occurring now. He stated tuition was rising at a pace faster than inflation. Money available for financial aid at the federal level was decreasing. He believed this was a large part of the reason for

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the drop in minorities going on to further their education. He said there is now seven percent unemployment which is higher than a decade ago. The people needing doors opened have fewer dollars today and he said this is an issue which must be addressed before the goal can become a reality. He believed it was crucial to the success of the program. He said he hoped the board members attending the next AGB meeting would approach a this issue and also that the university presidents would deal with it with their colleagues.

Regent VanEkeren asked if there had been an increase in the percentage of minority students receiving financial aid. Vice President Hubbard stated he felt there was an increase since minority enrollment was increasing and a very high percentage of those qualify for financial aid.

Vice President Hubbard commented on Regent Anderson's concerns about Asian students. He said he looked at the students receiving minority achievement scholarships and found that of the 11 recommended 4 students were black, 6 were hispanic and one was a native American. He agreed there were few black role models in higher education and that Chinese and Japanese students had role models in higher education as well as family support.

President Freedman introduced Eric Sanders, a student at the University of Iowa. Mr. Sanders stated he had read the report and the recommendations and found the discussion to be very interesting. He stressed the importance of the recommendation regarding the making of high-quality video tapes for recruitment featuring students. He said most high schools today were prepared for high tech displays. He said he believed with today's students this method was much more effective than brochures. He said the videos should feature role models and former students explaining how they decided to enter the university and how the university helped them become successful in their chosen careers. He stated it was easier to persuade people by using subjects that are closer to the minority student's age and currently in administrative positions. He said the students need to see people like themselves attending the universities. When recruiting students the recruiter needs to make the students feel welcome. He said the minority students need to see pictures of other minority students participating in campus activities. When the minority students visit the campus, they need to see minority faculty members and other minorities who have reached the levels they are striving to attain. He said he believed the recommendation regarding campus visitations by minority students was extremely important. In addition, he stated a number of minority students on the campus of the University of Iowa have expressed a desire to go out and talk to students in the high schools. The universities could train these students to make the prospective students feel welcome, show what could be done for them if they make it to college, and what job possibilities would be available.

Mr. Sanders stated that any project worth something must start small. He said the universities are starting from a position of strength but that the programs would need to be made stronger so that the goals could be met. He

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stated that financial aid was very important and thanked the board for the opportunity to speak to them.

President Freedman introduced Marianne Cherni, a student at the University of Iowa. Ms. Cherni stated that now at the University of Iowa general educational requirements could be satisfied by taking courses that do not include western civilization. She stated that while there are large resources in African studies, many students do not take these courses. She believed this needed to be addressed. She said there is racism on campus and she believed it was still very strong. She said it was largely a white problem, and one that whites need to address, not just blacks. She believed having courses that study the history of different cultures would help with this problem. She stated she did not believe the faculty had the correct background in teaching these courses on African culture.

Ms. Cherni stated that in the matter of retention of minority students there had not been a longitudinal study done as to why the students have left the University of Iowa. She said the university should obtain these figures. Many of the teachers she has in African studies take on a number of students and counsel them. She said these teachers are overburdened. She believed they are taking on a job that should be funded by the board and that the teachers should be rewarded. She stated these teachers have taken on the roles of counsellor and friend.

President McDonald stated that this is a difficult subject and he believed the board felt comfortable in dealing with it. He said he was pleased with the report and he supported the recommendations it contained.

MOTION: Regent Harris moved that the board accept the report and recommendations of the Minority Student Recruitment Committee. Regent Anderson seconded the motion, and it carried unanimously.

**LONG RANGE PLANNING.** The Board Office recommended that the board approve the recommendations of the Interinstitutional Committee and the Board Office on Long Range Planning as indicated below.

In December, the board received the report on Long Range Planning prepared by the Board Office. This report was prepared at the request of the board to provide an opportunity to review all five institutional planning reports and to provide some overall strategic direction for the institutions. At the December meeting, the board referred the report to the Interinstitutional Committee on Educational Coordination and requested that it review the report and make recommendations to the Board of Regents. Below is a summary of the issues and the recommendations of the Interinstitutional Committee and the Board Office.

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The Board Office recommended that the five Regent institutions be asked to undertake a review of their institutional mission statements aimed at developing more explicit mission statements. These revised statements should be presented for the board's review and action. The interinstitutional committee agreed that it would be appropriate to review institutional mission statements. It was the Board Office's understanding that these would be brief and succinct statements on each institution not to exceed two pages. The Interinstitutional Committee also suggested that the "role and scope" for the institutions currently contained in the mission statement, including the paragraph on how new programs develop and the disclaimer statements about an institution entering into certain professional fields, be inserted in a separate section in the Procedural Guide.

The Board Office recommended that the Interinstitutional Committee on Educational Coordination continue its efforts with respect to addressing the issue of minority recruitment.

The Board Office also requested that the board require specific approval of core admission requirements, the phasing-in of new academic admission requirements to the extent possible, and a renewed effort on the part of the Educational Relations Committee toward improving articulation with local schools in Iowa. The Interinstitutional Committee on Educational Coordination indicated that it took for granted that the board must approve general admission requirements and that, generally speaking, these new requirements would be phased-in. The committee also agreed that the Committee on Educational Relations should continue to promote and to improve articulation with the local schools in Iowa.

The Board Office also recommended that with respect to the two special schools, there was a need to improve harmony regarding the relationships between the various organizations responsible for special education in Iowa. Specifically, the Board Office asked that the major partners in the existing agreement (i.e., the Board of Regents, the Department of Education and the Area Education Agencies) needed to reaffirm the primacy of the needs of the children in making placement decisions; that all need to work to break down the barriers that create distrust and disharmony among the various agencies; that the Board Office start a process of reconciliation by setting up a series of meetings with the two new superintendents early next year; and that the ISD/IBSSS Advisory Committees be instructed to aid in this process by providing additional recommendations to improve relationships.

The Interinstitutional Committee on Educational Coordination recommended that the board should receive the reports and express any concern about particular plans or proposed programs. While the Board Office agreed with the general thrust being recommended by the Interinstitutional Committee on Educational Coordination, it recommended that the board approve the various recommendations for "planning purposes only," which should provide the flexibility that is needed.

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The Board Office recommended that the Board of Regents require an annual report from each institution on the institutional program review and evaluation efforts to include specific information on the programs reviewed, the review methodology used, and the results of the review effort. This would provide the board with concrete assurance that the reviews that have been a part of the board's policy for many years are actually taking place and are being conducted in a meaningful manner. The Interinstitutional Committee suggested that effective next year, the institutions submit summary reports of the departmental reviews in addition to reporting all external accreditation reviews.

The Board Office also recommended that new program proposals be screened more closely for compliance with the Regents' criteria, that strong consideration be given to developing "Regent" centers for high cost programs where two or more institutions have a mutual interest; and that consideration be given to dropping at least one program when new programs are being proposed. The Interinstitutional Committee on Educational Coordination urged caution in the area of establishing more "controls" for new program proposals because of its "concern about discouraging faculty educational creativity and the need for constant review and reform of the curriculum."

The committee also advised against a formula requiring a deletion when a new program is proposed. Furthermore, the committee suggested that the notification standard on deleting programs be relaxed. The Board Office continued to believe that the proposals for new programs should be screened very closely for compliance with the Regents' criteria.

The Board Office believed very strongly that the institutions needed to give greater consideration to developing "Regent centers" for high cost programs where two or more institutions have a mutual interest. There has been a great deal of board, legislative and gubernatorial interest in such pooling of resources.

The Board Office believed that the notification for the discontinuance of programs was important to the board with respect to possible adverse impact on students. Discontinuance of a program can be of as much importance as establishing a new one. The Board Office would not recommend any changes in this area.

The Board Office recommended that the universities undertake a review of their undergraduate programs and report to the board next fall on the results and anticipated actions. The Interinstitutional Committee on Educational Coordination recommended that an undergraduate education report be provided to the board in conjunction with the next planning report.

The Board Office recommended that the Interinstitutional Committee on Educational Coordination develop mechanisms for keeping each of the institutions informed regarding international developments to avoid unnecessary

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duplication and to report to the board on its findings. The Interinstitutional Committee on Educational Coordination agreed that it should have responsibility for ensuring that all institutions and the board are informed regarding international program developments. It felt that it should be able to accomplish these substantially by means of the regular reports to the board on international programs and informally through monthly meetings of the committee.

The committee in its report recommended that the board, the Board Office, and the institutions review the existing planning cycle. The Interinstitutional Committee has indicated that a four-year period is too long for planning, but that the existing two-year period seems to be too short. The institutions expressed a desire for a longer planning cycle. A part of the problem was caused by the late review of the long range planning item, which would cause institutional delays in preparing long range planning reports requested by the board.

Vice President Martin stated he felt the discussion of long range planning at the December board meeting was excellent and very productive. He stated the Interinstitutional Committee had some minor points of disagreement with the Board Office recommendation. The first disagreement was with the recommendation that reports on institutional program review would be submitted annually. It was the intent of the committee that these reports be submitted episodically which would probably be annually but not all the time. He said there was also some disagreement with the recommendation relating to dropping of programs.

Director Barak stated that there wasn't really a disagreement regarding the dropping of programs. He noted that there was a six-month requirement specified in the Procedural Guide. He quoted from Section 6.20 Policy on Academic Program Termination and Reduced Admissions, which reads: "When an institution expresses a desire to terminate an academic program, it will present its plans to the Board of Regents for approval. If an institution wishes to limit, suspend, or substantially reduce admission to a program it should provide that information to the board and, six months later, report back to the board its intentions with respect to the program. If it has been decided to terminate the program, the institution will then request approval of its intention to terminate after the last student has completed the requirements of the program. If admissions are to be reopened, no action by the board will be required." He stated this six-month requirement may be inappropriate at times. He discussed this with the Interinstitutional Committee members, and they will study the matter and get back to the board.

Vice President Remington stated it takes two months to add a new program under the present rules and eight months to drop any program. He said there seemed to be a discrepancy, and he felt it should be easier to drop a program.

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Vice President Martin stated that the new proposal would mean continual planning which was good because the faculty should be thinking critically and creatively about the future of the institutions. He said, however, they could not be constantly involved in the mechanics of the programs.

Director Barak stated the original recommendation from the Board Office contained recommendations for the two special schools. He indicated both superintendents reviewed the recommendations and were in agreement.

Acting Superintendent Young stated with regard to the special schools, since coming to the school 12 years ago improving harmony regarding the relationships between the various organizations responsible for special education in Iowa has been an on-going daily task in which the entire staff of the school has been working. She said this was something that would never be over. She believed that the word "reconciliation" was a strong word, and that this subject needed continual attention.

**MOTION:** Regent Anderson moved that the recommendations of the Interinstitutional Committee and the Board Office on Long Range Planning be approved. Regent VanEkeren seconded the motion, and it carried unanimously.

**SELECTION OF FOREIGN BORN TEACHERS.** The Board Office recommended that the board receive the reports on foreign born teachers.

At the February board meeting, Regent Tyler requested that the three universities prepare reports on the selection of foreign born teachers. Each of the universities had programs in place that addressed this issue. It appeared that extensive efforts were being made to address the selecting and training of foreign born teachers, especially at Iowa State University and the University of Iowa where the most foreign born teachers are hired.

Iowa State University currently uses two tests to evaluate oral proficiency of international teaching assistants known as SPEAK and TEACH. The results of these tests provide evidence of a potential graduate assistant's ability to listen and communicate in English. Courses are also offered in three areas: English as a Second Language, Speech Communication, and the College of Education's Instructional Resources Center.

The University of Iowa's approach was based on recognition of two basic principles: (1) that ability can most effectively be evaluated in relation to the particular disciplinary area; and (2) that instructional functions required of teaching assistants vary greatly. Programs to improve necessary teaching skills must be tailored, in part, to the required responsibilities. All foreign applicants (not just potential teaching assistants) are required to pass a standard proficiency test (the TOEFL) and those with a score of

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550 or less are required to undergo an individual language proficiency evaluation that involves both written and spoken English. In addition special courses and programs are offered for foreign teaching assistants to help improve their teaching effectiveness.

Vice President Remington stated that as a rule foreign teaching assistants do not go into the classroom during their first year in the program. Exceptions may be made for some students who have had prior experience in another U.S. graduate school or who demonstrate adequate English language skills. The Teaching Assistant Preparation in English Program (TAPE) was implemented during the Summer Session of 1985 and was designed for foreign graduate students who needed additional work on their communicative English and who would be given teaching assistantships while at the University of Iowa. The program takes place during the eight-week summer session in a laboratory setting. He stated this program has been very successful and is now going into the third year. The first year a stipend was offered. The stipend was dropped the second year and enrollment increased. He said enrollment was expected to increase again this year. He stated in summary he believed there was a problem, and he felt every research institution in the country faced a similar problem. He said he felt the University of Iowa was competitive in this area and that teaching assistants were kept out of the classroom until their oral English has improved.

Vice President Christensen stated every year there were complaints regarding the inability of teaching assistants to communicate in English. He said it would help if the people who complained should be encouraged to identify the teaching assistant who is at fault. That way the problem may be corrected. He said Iowa State University was slightly different than the University of Iowa. Iowa State used the SPEAK program to evaluate oral proficiency. SPEAK requires the students to listen and respond to a variety of questions on audiocassette tape. Tapes are rated by a team of instructors and graduate students from the Department of English. This is followed by another test, dubbed TEACH, which provides evidence of prospective teaching assistants' ability to communicate in a classroom in their own field of study. The teaching assistants make a five-minute presentation on an assigned topic. This is followed by a three-minute period of questions posed by a "class" of questioners, and they are rated for comprehensibility of their performance. The ratings are also used for clearer evidence of teaching assistants' specific communication problems and to tailor training courses to help them with pronunciation, classroom procedures, spoken academic English, listening and responding to questions, etc. Performances are videotaped for review if raters do not agree in their evaluation and to allow the teaching assistant to self-critique his or her performance. It also aids in diagnosing the problems of those who do not pass. He stated they are trying to prevent problems from arising and asked for help and cooperation.

Vice President Martin stated the University of Northern Iowa's graduate assistants are not assigned teaching responsibilities for courses except in rare and unusual circumstances. They do have graduate assistants who perform

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auxiliary roles for faculty. He stated they do not have a problem of "teaching assistants" who are foreign nationals teaching courses at the University of Northern Iowa. An appraisal is made of a faculty candidate's English language proficiency at the time of appointment. He stated their basic problem seemed to be one of accent and they try to improve that by coaching.

President McDonald stated the board believed there was a problem. He said this is the single most frequent complaint from parents and students. He agreed with Vice President Christensen in the importance of getting the name of the instructor and the class number when complaints were received. This way something could be done about the problem. He stated it was incumbent to do the very best that can be done.

Regent Tyler stated he had asked to have this report put on the agenda as this was the single most frequent complaint that brought to his attention. He said this was the first time he has heard everyone admit there was a problem and felt that now something may be done to correct it.

Regent Harris said he doesn't recall that the universities ever attempted to sweep the problem under the rug. He stated all of the board members have from time to time spoken with members of the universities, and they are aware of the problem. He said it was a universal problem throughout the country and all institutions recognized this. He said it was refreshing to hear that not only do they recognize it but that they are working on it. He said where the problems cannot be solved there are remedial actions that can be instituted. He asked Vice President Christensen if he found that the students who were complaining were the ones who were not doing well in school.

Vice President Christensen stated that most of the students who complained were not doing as well as others. He said the students who were doing better academically were not complaining.

President McDonald stated if a student could not understand the instructor he or she would become a poor student. He said the plus side would be to have something done about it.

Vice President Christensen felt that if the students would be patient for a week or two they would be able to pick up the rhythm of the accent. He said in a few years the students would be meeting with people from all over the world and this would help them to more quickly pick up the rhythm then.

Vice President Remington stated the problems were not distributed evenly across disciplines and that there were more in the quantitative courses and those areas impacted by student demand where the budget has not been adequate to allow adding of permanent staff. He said they had been under great pressure to simply put people in front of the classes. He said math and statistics were difficult subjects for many students and students many times

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enter these courses with a certain amount of anxiety. When they have a person they do not fully understand, a difficult situation is created for everyone. He stated sometimes there is a basic difficulty in the student's comprehension of the specific subject matter, rather than a deficiency in communication skills of the instructor. He stated the institutions are dealing with this tough problem and are doing their best. The institutions are at a loss as to what more they can do. Iowa high school graduates are not experienced with foreign cultures and foreign accents when they reach the college level.

Regent Anderson stated she heard the explanations from Vice President Remington and Vice President Christensen and felt they had reasonable explanations and reasonable concerns, but she felt that parents believed their complaints were treated very negatively and the universities' responses were defensive. She asked in the University of Iowa's program if foreign graduate teaching assistants fail to pass the standard proficiency test are they required to take remedial courses.

Vice President Remington said they are not required. He said many who do not pass that particular test will never be in front of a classroom. Many of them are lab students. Those in the group who will eventually be in front of a classroom and do not pass are required to retake the courses.

Regent Anderson stated that all of the discussion so far had centered on teaching assistants. She wanted to know about the faculty.

Vice President Remington stated the foreign born faculty were counseled by their colleagues. He said the university hoped they would always have foreign born individuals teaching before the classroom.

Vice President Christensen stated the areas where they have the largest number of foreign or international teaching assistants are chemistry, mathematics, physics, statistics, electrical engineering and computer engineering, and computer science. He said these areas that American students were not going into graduate work in very large numbers.

Regent Harris stated the board was very pleased and would always exert maximum effort to have foreign students come to the universities. He suggested possibly putting a statement in the handbook that goes out to all students that would be very positive but would say if the students was experiencing any problems of understanding the teacher, they should be given instructions on how to handle the problem and not wait for two to four weeks and then inform their parents. He said there should be some easy access for them to relate their feelings.

Vice President Remington said that was a very good idea. He stated that in freshman orientation sessions the university could make this more forcefully known to students.

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**ACTION:** The reports on the selection of foreign born teachers were received by general consent of the board.

**LEGISLATIVE PROGRAM 1987.** The Board Office recommended the board receive the report on legislative activities and approve the recommended positions on bills being followed.

Appropriations Bills:

The Governor's recommendations for appropriations to the Regents for fiscal year 1988 have been introduced in Senate File 278. This bill incorporates the appropriations recommendations discussed in last month's legislative report.

The Governor's recommendation that lottery revenues be deposited in the general fund of the state rather than flowing into the Iowa Plan fund is contained in House Study Bill 170. An alternative proposal for the allocation and appropriation of lottery revenues is provided in House Study Bill 180 (from the Committee on Economic Development). This bill adjusts the allocations within existing funds. It is currently under analysis.

Supplemental appropriations for fiscal year 1987 have been approved by the House in House File 355. This bill appropriates an additional \$65,000 in fiscal year 1987 to the State Board of Regents for the Rural Concern Hotline at Iowa State University. The bill also requires that any unused obstetrical patient care funds shall not be transferred to support indigent patient care at the University of Iowa Hospitals and Clinics (as had been provided in the original appropriations bill). Instead, unused funds shall be used by the Department of Public Health for statewide expansion of the maternal and children's health centers and the mobile and regional child health specialty clinics.

The Governor's proposal for salary adjustments for fiscal year 1988 was currently being formulated.

Capital Bonding Authority

Director True stated Senate Concurrent Resolution No. 4 approved the Regents Ten-Year Building Program and authorized bonding for \$25.1 million for the Laser Laboratories at the University of Iowa. At the last board meeting it was reported that the House Appropriations Committee had amended Senate Concurrent Resolution No. 4 by authorizing bonding for \$80.7 million in projects including the following:

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<u>Institution</u>	<u>Project</u>	<u>Amount</u> <u>(000's omitted)</u>
ALL	Fire and Environmental Safety	\$ 1,450
ISU	Home Economics Building	5,100
SUI	Laser Laboratories	25,100
UNI	Latham Hall Remodeling	3,360
ISU	Molecular Biology Building	37,500
UNI	Wright Hall Remodeling	2,415
UNI	Library Addition	<u>5,800</u>
		\$80,725

Director True stated the bonding resolution had been amended to reflect \$98 million in projects and included the top 14 priorities of the Board of Regents. The bill has been approved by the Senate and is expected to be approved by the House. Director True said the House Appropriations Committee amendment also included provisions in the resolution that prevailing wages be paid on projects authorized in the resolution, that no classified research could be done in projects financed through the bonding resolution, and that a study be done by the Board of Regents on several topics including collaborative research in scientific fields among Regent universities.

House action on the bonding resolution resulted in several major amendments and a reduction of the total authority to \$62 million. The Molecular Biology Building project was reduced to planning only (\$2,500,000) with the expectation that bonding authority for construction would be obtained in the next legislative session. This would be unlikely to delay the construction of the Molecular Biology project. Other House changes in the bonding resolution were to add the following additional projects:

<u>Institution</u>	<u>Project</u>	<u>Amount</u> <u>(000's omitted)</u>
ISU	Agronomy Building Equipment	\$ 2,000
ISU	Animal Science, Outlying Research Centers - Planning	624
ISU	University Research Park Development	2,500
SUI	Engineering Building Addition - Planning	1,500
ISU	Veterinary Medicine Research Institute - Animal Holding and Monoclonal Antibody Production Lab	1,925
ISU	Electrical Interconnection with city of Ames	2,000
UNI	Power Plant Addition	9,216
SUI	Old Law Center Remodeling	4,325
SUI	Pharmacy Remodeling	400

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Wright Hall Remodeling and the Library Addition at the University of Northern Iowa were not included in the projects approved by the House.

In Senate action on the House amendments, the Senate deleted the provision requiring the use of prevailing wages on construction of authorized facilities and added authorization for the Iowa State University Meat Irradiation Facility (\$1,500,000) and Molecular Biology Facility construction (\$35,000,000) beginning in fiscal year 1989.

The House was expected to either concur in the Senate resolution or request a conference committee. During the legislative debates, the Governor reiterated his support for only the Laser Laboratories and Molecular Biology Building Projects.

Bills Being Monitored:

Each month's legislative report includes a discussion of bills of particular interest to the Board of Regents. The Board Office, in consultation with the legislative liaisons and the institutions, monitors all of the bills introduced. Those of interest to the Regents and the institutions are followed throughout the session.

Proposed bills with new recommendations for a Regent position are considered briefly in the following:

Senate File 186 (By Wells) Construction Contract Bidding and Letting Procedures (Oppose)

This bill requires that bids for public construction contracts be received for each component trade such as electrical, mechanical, and structural. The board would be required to accept the lowest bid when comparing the cumulative cost of bids by individual trades as well as overall bids from general contractors for the entire construction project. The universities indicate that improved coordination can often be provided by the award of single contracts and that on smaller projects it could be very costly to bid and award separate contracts. The negative impact on the universities could be substantial.

Senate File 210 (By Lind) Change in Name of University of Northern Iowa (Oppose)

This bill would change the name of the University of Northern Iowa to Iowa University. This name change could generate considerable confusion and opposition was recommended.

Senate File 224 (By Hannon) Oral English Language Proficiency (Oppose)

This bill would require that the merged area schools and the State Board of Regents establish programs to assess and ensure the oral English language proficiency of all persons providing classroom instruction. The universities should continue their efforts in this area but the proposed legislation is unnecessary. Director True stated the requirement that all persons providing instruction be tested would be particularly burdensome and would detract from the board's governance function; therefore, opposition was recommended.

House File 153 (By Committee on Ways and Means) Revisions in State Tax Code (Monitor)

This bill contains extensive revisions in the state tax code. It passed the House with amendments but failed to pass the Senate. An amendment introduced by Representative Holden would have exempted interest on city and county securities from Iowa taxation. This amendment was defeated and Regent opposition to the bill was no longer recommended. Extending state tax exempt status to interest on all municipal bonds would increase the state tuition replacement appropriation needs, increase financing costs for the board and financially injure Regent bond holders. The progress of this and similar bills would be monitored closely by the Board Office and the legislative liaisons.

House File 241 (By Stueland) Use of Correctional Institution Property for Agricultural Research (Needs Amendment)

This bill would require that Iowa State University use property, facilities, labor and services connected with the state correctional institutions in order to conduct agricultural research, testing and development projects. Iowa State University reported that Corrections land is presently used at locations where the land meets the university's research or extension needs and that a cooperative relationship exists. The proposed bill would inappropriately use mandatory language. It was recommended that it be amended to provide a permissive statement that the university may use property, facilities, labor and services connected with the state corrections institutions.

House File 290 (By Johnson) Enrollment of High School Students in Postsecondary Institutions (Oppose)

This bill would allow eleventh and twelfth grade students to enroll for courses at postsecondary institutions, including the Board of Regents universities. The student's school district would pay a maximum of \$200 per course. Although the Board of Regents would likely support and encourage a program in which certain high school students are permitted to enroll for courses or programs in postsecondary institutions, the \$200 limitation on

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reimbursement provided by this bill was a serious drawback and opposition was recommended.

House Study Bill 56 (By Department of Public Health) Regulation of Major Medical and Veterinary Equipment (Oppose)

This bill would require the Department of Public Health to establish procedures to regulate major medical and veterinary equipment. It would require that the department identify major equipment which was "inefficacious, defective, malfunctioning" or presented a significant hazard. It could subject hospitals to redundant inspections and have a significant financial impact. It was recommended that the bill be opposed in its present form.

House Study Bill 86 (By Department of Personnel) Affirmative Action (Support)

This bill would amend the Code chapter on equal opportunity and affirmative action to provide that the Department of Personnel shall, when necessary to achieve a balanced work force, certify the names of qualified persons in underutilized groups in addition to the top six persons placed on eligibility lists for job openings pursuant to the merit system law. Support was recommended.

House Study Bill 98 (By Department of Personnel) State Personnel Administration (Needs Amendment)

This bill included various amendments resulting from the 1986 state government reorganization law as it related to state personnel administration. Most of the provisions have no affect on the Regent institutions. However, an amendment has been proposed in one section to make it clear that the employees of the Regent universities are not governed by the rules of the Department of Personnel with respect to sick leave.

House Study Bill 135 (By Committee on Education) Advance Payment of Tuition (Oppose as Written)

Director True stated this bill would create an Iowa Education Trust as a public corporation to provide for advance payment of tuition to attend the Regent universities or an area school. It was basically the program approved recently within the state of Michigan. Several of the provisions of the proposed bill would have serious negative consequences for the Regents, including limitations on the board's authority to set tuition and fees. An alternative form of an advance tuition payment program was prepared by the Iowa Coordinating Council for Post High School Education. It was recommended that House Study Bill 135 be opposed in its present form although the Regents may support the general principles of a prepaid tuition program.

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House Study Bill 137 (By Committee on State Government) Extension of Retirement Incentives (Support)

This bill would extend for one year the state's retirement and termination incentive programs. Support was recommended.

House Study Bill 184 (By Committee on Small Business and Commerce) Prohibition of Activities in Competition with Private Enterprise (Oppose)

This bill would prohibit state agencies, cities, counties, the Regent universities, the area vocational schools and the area community colleges from engaging in certain sales and service activities. Some activities of the Regent institutions are exempted, but the bill could still seriously limit a number of activities which would be of benefit to students, faculty, and the Iowa public. Amendments have been proposed to exempt current activities of the Regent universities from the provisions of the bill. Opposition to the bill in its present form was recommended. Director True stated that a number of practices at the universities could be hurt by this bill. Vending machines and the sale of incidental items would be two of the areas affected. He stated amendments should be made.

The Board Office and the institutions continued to monitor legislative proposals with potential impacts on the Regent institutions.

Director True stated that HSB 180 would adjust appropriation of lottery funds to the various accounts of the Iowa Plan Fund. It would reduce the fiscal year 1988 allotment to the Education and Agriculture Research and Development account from \$10 million to \$8 million and would eliminate Business Incubators for potential funding by the Department of Economic Development.

Regent Tyler stated that at the last board meeting the board passed a resolution regarding the bonding bill concerning classified research to be delivered to the legislators. He asked if it had also gone to the legislative branch, to which Mr. True responded that it had been provided to the legislative liaison for distribution to individual legislators.

Regent Tyler asked Director True if he had any information as to how the House and the Governor felt about prevailing wage. Director True said he believed the House would concur with the Senate and would remove the prevailing wage clause. He stated he was not in a position to make judgments about the Executive Branch.

Regent Anderson stated with regard to the geriatric medical education bill, the legislature was telling the board what to do about educational programs and yet there wasn't any money in this bill. She felt the legislature was interfering with the Board of Regents and requiring something to be done by the Regents without providing any money to do it. She felt the Board Office should be opposed to this bill and not just monitoring it.

Mr. Richey said he talked to the Dean of Medicine at the University of Iowa about the bill who said the college provided geriatric medical education throughout the curriculum rather than isolating it as a single discipline. Mr. Richey said Regent Anderson's point was well taken, and he would recommend opposing the bill if the board had no objections.

**MOTION:** Regent Anderson moved that the board oppose HF 124, which requires that the Regents establish and maintain a geriatric medical education program in the College of Medicine at the University of Iowa. Regent Harris seconded the motion, and it carried unanimously.

**MOTION:** Regent Greig moved that the board receive the report on legislative activities and the recommended positions on the bills being followed. Regent Harris seconded the motion and it carried unanimously.

**RATIFICATION OF COLLECTIVE BARGAINING AGREEMENT WITH THE UNIVERSITY OF NORTHERN IOWA UNITED FACULTY, 1987-89.** The Board Office recommended that the board ratify the collective bargaining agreement with the University of Northern Iowa United Faculty for 1987-89 and authorize the board president to sign the agreement.

Director Wright stated that a voluntary agreement was reached between the United Faculty and the board's management team on February 24, 1987. The proposed agreement was ratified unanimously by the United Faculty on February 25th. While the agreement was in the same form as in 1985-87, essential elements of the new agreement were as follows:

1. Salary Increases

- A. 1987-88 -- the average of increases received by faculty would be 10.5 percent composed of 4.5 percent written in the historic language of the agreement and 6 percent included in a separate Memorandum of Understanding pertaining to the Vitality Fund.
- B. 1988-89 -- the average of increases received by faculty would be 6 percent distributed in the historic language of the contract. A provision of the Memorandum of Understanding was that if a Faculty Vitality Fund was approved by the board in 1988-89, it would be distributed according to the contract unless the parties agreed otherwise.

2. Minimum Salary Guidelines

The minimum salary guidelines would be increased at a cost of \$25,000 in 1987-88 and of \$40,000 in 1988-89.

3. Travel

The fund allocated by the university for faculty travel related to university/professional responsibilities has been increased in 1987-88 to \$175,000 from the present \$160,000. In 1988-89 the allocation would go to \$190,000.

4. Promotions

The salary increases paid for promotions in rank have been increased for 1987-89, as follows:

To Assistant Professor from the current \$650 to \$725;  
To Associate Professor from the current \$975 to \$1,100;  
To Professor from the current \$1,300 to \$1,450.

5. Summer Research Fellowships

The university presently provides the equivalent of 18 summer research fellowships at \$3,600 per fellowship. In 1987-88 the number of fellowships would remain the same but the stipend would go to \$3,800 per full time stipend. In 1988-89 the value per stipend would remain the same and the number of stipends would be increased to 21.

6. Part-Time Salaries

Part-time faculty would be paid no less than \$675 per credit hour in 1987-88 compared to \$630 per credit in 1986-87. In 1988-89 the rate would be \$700 per credit hour.

7. Insurance

A. Health and Dental

The university agreed to increase the contribution for family health insurance from \$102 per month in 1986-87 to \$130 per month in 1987-89. As with the state, the faculty is also assured that a faculty member's contribution for dependent coverage would not exceed \$47.40 per month. The faculty receives fully paid single coverage. For dental insurance the faculty would continue to receive fully paid single coverage and the contribution towards dependent coverage would increase from \$6.00 in 1986-87 to \$9.15 per month in 1987-89.

B. Long Term Disability

Long term disability coverage would become available on the 90th working day of disability in 1987-89 instead of the 120th working day in the present agreement. Faculty who are on disability would receive the employer's contribution for health and dental insurance for a period not to exceed five years from the date of disability.

8. Parking

The article in the contract which provided that the increase in the cost of parking in a given year would not exceed the percent of increase given in salary has been removed from the contract. Parking rates have been established for the faculty for 1987-89.

Other changes negotiated in the agreement pertained to the mechanics of appealing decisions and evaluations. They were of the same form and substance as the present agreement.

Director Wright said that as the agreement with United Faculty for 1987-89 met the requirements established by the board for the negotiations process, ratification of the agreement and authorization for the board president to sign the agreement were recommended.

MOTION:

Regent Harris moved that the board ratify the collective bargaining agreement with the University of Northern Iowa United Faculty for 1987-88 and authorize the board president to sign the agreement. Regent Duchon seconded the motion, and it carried unanimously.

FISCAL YEAR 1986 ANNUAL UNIVERSITY RESIDENCE SYSTEM REPORTS; UNIVERSITIES' RESIDENCE SYSTEM TEN-YEAR PLAN 1987-97; CONTINUED SUSPENSION OF THE PARIETAL RULE AT THE UNIVERSITY OF IOWA; RESIDENCE SYSTEM FUND TRANSFER TO THE DORMITORY IMPROVEMENT FUND FROM THE DORMITORY SURPLUS FUND AT THE UNIVERSITY OF IOWA; PRELIMINARY BUDGET ESTIMATES AND PROPOSED RESIDENCE SYSTEM ROOM, BOARD AND APARTMENT HOUSING RATES, 1987-88, AT IOWA STATE UNIVERSITY; CONTINUED SUSPENSION OF THE PARIETAL RULE AT THE UNIVERSITY OF NORTHERN IOWA; AND PRELIMINARY BUDGET ESTIMATES AND PROPOSED RESIDENCE SYSTEM ROOM, BOARD AND APARTMENT HOUSING RATES, 1987-88. Director True stated there are seven different items dealing with the resident systems at the universities and recommended the board encompass them into one item for discussion. Information as it pertains to the individual universities will be found in the minutes section for that specific university.

FISCAL YEAR 1986 ANNUAL UNIVERSITY RESIDENCE SYSTEM REPORTS

The Board Office recommended the board receive the Board Office summary report and the university annual residence reports for fiscal year 1986.

Highlights of Report for Fiscal Year 1986:

- o Residence hall occupancies were greater than 100 percent of design capacity at all three universities in 1985. The University of Iowa reported 109.5 percent, Iowa State University 111.6 percent, and the University of Northern Iowa 102.7 percent. The University of Northern Iowa had reported an occupancy ratio of 95.1 percent in the fall of 1984.
- o Residence apartment occupancies remained high compared to design capacity in Fiscal Year 1986, ranging from 94.0 percent at the University of Northern Iowa, 98.8 percent at Iowa State University, and 99.7 percent at the University of Iowa. All three university apartment occupancy rates declined last fall and it was reported that the apartment market in all three communities would make it difficult for the universities to maintain essentially full occupancy in the near future.
- o Freshman residence hall occupancy declined again at the University of Iowa in the fall of 1985, while freshman occupancy at Iowa State University and the University of Northern Iowa increased modestly. Sophomore occupancy in the residence halls decreased at all three universities. In the aggregate, hall occupancy did increase, with upper-class students making the difference.
- o Social, cultural, educational and recreational programming offered within the residence halls and apartment complexes maintained approximately the same scope of activity in fiscal year 1986 compared to the prior year. The amended law on drinking age will modify campus guidelines to varying degrees, but details have not yet been fully worked out.
- o Parietal rules for freshmen and sophomores at the University of Iowa and University of Northern Iowa remained suspended during the period. The University of Iowa and University of Northern Iowa are seeking continued suspension of the parietal rules.
- o Residence system dining services served 7.7 million meals in fiscal year 1986. Dining services produced \$24.3 million or 46.5 percent of total residence system operating revenue.

- o In fiscal year 1986, residence system net operating income--that income available to pay debt service on outstanding bonds and maintain adequate reserves--was \$12.3 million. This was approximately 3.4 percent more than net operating income generated in Fiscal Year 1985. This level was fully sufficient to meet required debt service and mandatory transfers. It was also sufficient to replenish contingency reserves used for major repairs, renovations, and capital improvements.
- o Restricted reserves were \$6.1 million. Restricted reserves equal to approximately one year's debt service payments must be retained and this has been accomplished.
- o Voluntary reserves of \$15.1 million at the close of fiscal year 1986 were available to meet operating contingencies and capital improvements. This was approximately 28 percent of gross revenues for fiscal year 1986 and was an increase of \$2.1 million over fiscal year 1985.
- o Maintained residence system space was approximately 25.7 percent of all Regent maintained space during fiscal year 1986. Residence system space was approximately 6.6 million gross square feet.
- o Outlays for all maintenance, replacements, repairs, and capital improvements in fiscal year 1986 was \$7,352,000, or approximately \$1.12 per square foot of maintained space.
- o Replacement value of the residence system buildings and improvements and contents rose to \$357.9 million in Fiscal Year 1986. This compared to original investment value of plant assets of \$121.6 million. As a condition of residence system bond covenants, property insurance was maintained for all facilities.
- o The university residence systems have improved reserves and strong net operating revenues and closed fiscal year 1986 in a good position.

#### UNIVERSITIES' RESIDENCE SYSTEM TEN-YEAR PLAN 1987-1997

The Board Office recommended that the board receive the universities' Residence Systems Ten-Year Plans.

Since 1984 the university residence systems prepared long-range planning reports as separate documents. The planning reports were prepared to assist the Regents in understanding the residence systems and in exercising oversight of the university's future plans. The comprehensive residence systems ten-year plans enabled the Regents to be better informed and involved with the institutions' plans for the years ahead.

The Ten-Year Planning Report focused on resource requirements for the coming decade. The three residence systems prepared the report using a similar

format. The report incorporated sections on program directions, space planning and management, building improvements, and operating finances and reserves. The planning reports provide information on the condition, planning assumptions and anticipated actions of the residence systems through the ten-year planning horizon. The statistics discussed in the reports and included in the charts were estimates and represented the best available long-term perceptions of the residence administrators.

The future demand for university housing was based on university projections of enrollment through the ten-year planning period and the application of historical percentages by class levels in each of the ten years. Enrollments at the three universities were projected to decline during the ten-year planning period. The projected decline at the University of Iowa was 19 percent, 14 percent at Iowa State University and 7 percent at the University of Northern Iowa. Because the largest proportion of students living in residence halls are drawn from the lower division of undergraduate student population, an important predictor of future residence hall occupancy was future lower division undergraduate (freshman and sophomore) enrollment. Lower division undergraduate enrollment was projected to decline by 18 percent at the University of Iowa, 19 percent at Iowa State University and 14 percent at the University of Northern Iowa. Total undergraduate student enrollment was projected to decline over the next ten years by 22 percent at the University of Iowa, 22 percent at Iowa State University and 9 percent at the University of Northern Iowa.

The university enrollment projections for Iowa State were revised downward for the next decade. The new enrollment projections had 966 fewer students than last year's projections. The revised enrollment projections affect Iowa State University occupancy projections for residence halls and apartments. The projected occupancy of 10,205 students for 1996-97, the tenth year of the plan, was nearly 1,100 students less than last year's projection. Occupancy figures for the other two residence systems had not changed significantly from last year.

The most significant decline in occupancy of a residence system was expected at Iowa State University. The expected decline in fall head count for the Iowa State residence halls and student apartments was 1,200 students or 10.5 percent by 1996.

The projected decline in residence system occupancy was 8.7 percent for the University of Iowa and 1.6 percent for the University of Northern Iowa.

All three residence systems were currently operating their residence halls above design capacity. The impact of the projected decline in occupancy was accommodated by each residence system through a systematic reduction in occupancy rate down to design capacity. At the end of the decade, residence halls occupancy rates were projected to be 99 percent at the University of Iowa, 102.4 percent at Iowa State University and 100 percent at the University of Northern Iowa.

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The occupancy for apartment housing was projected to remain constant over the decade. Occupancy as a percent of design capacity was projected at 99.7 percent at the University of Iowa, 98.4 percent at Iowa State University and 87.7 percent at the University of Northern Iowa. The expected decline in total occupancy for apartment housing over the next decade was expected to be matched with reductions in operating capacities in the apartment systems.

The current over-capacity in residence halls was accomplished by housing three students in space designed originally for two students. As demand for single student housing declines, each university intended to adjust the capacities of its individual systems by converting an appropriate number of these triple rooms back to double occupancy and decommissioning apartments.

Each report described the facilities that would be decommissioned or abandoned on a year-by-year basis. The facilities to be abandoned included 50 trailers in Hawkeye Park at the University of Iowa, removal of 374 apartments in East and West Pammel Court at Iowa State, and decommissioning of the South Courts trailer units at the University of Northern Iowa. The University of Iowa described a phased program to eliminate three students to a room in Burge Hall and thereby bring the building's occupancy within design limits.

**MOTION:** Regent VanGilst moved that the board receive the Board Office summary report and the university annual resident reports for fiscal year 1986, along with the universities' residence systems ten-year plans. Regent Anderson seconded the motion, and it carried unanimously.

**EXECUTIVE SESSION.** President McDonald requested that the board enter into executive session to consider an employee performance review pursuant to Section 21.5(1)(i) of the Code of Iowa; for discussion of litigation with its counsel pursuant to Section 21.5(1)(c) of the Code of Iowa; and for discussion of the purchase of real estate pursuant to Section 21.5(1)(j) of the Code of Iowa. Regent Harris moved that the board enter into executive session. Regent Murphy seconded the motion; and upon the roll being called, the following voted:

AYE: Anderson, Duchen, Greig, Harris, McDonald, Murphy, Tyler, VanEkeren, VanGilst.

NAY: None.

ABSENT: None.

The board having voted by at least two-thirds majority, resolved to meet in executive session beginning at 3:30 p.m. on March 11, and arose therefrom at 5:30 p.m. on that same date.

The following business was transacted on March 12, 1987.

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**APPEAL OF EMPLOYEE.** The Board Office made the following recommendations: (1) that the board grant the request of an employee for review of an institutional decisions; (2) that the board authorize its executive secretary to engage an administrative hearing officer pursuant to Code of Iowa Section 17A.11 to hear the grievance of the employee; and (3) that the board give great weight to the decision of the administrative hearing officer in reaching a decision on the matter.

Director Weight stated this item was before the board as a result of an appeal of an employee in accordance with Section 4.25 of the Procedural Guide. The employee requested that the board review this matter without making the employee's name or the record public pursuant to the Code of Iowa Section 21.5 (1)(i).

Director Wright stated the employee had requested the university remove a letter of reprimand from the employee's personnel folder, and the university refused. He said the issue had been considered by the Board on two previous occasions. In June 1985 it was considered on a timeliness issue and again in October 1985 as a substantive matter. The Board Office recommended the appeal be deferred until the Office of Civil Rights (OCR) had completed its review. The OCR has had two appeal conferences regarding the case.

Director Wright stated the Board Office recommended a hearing officer be selected to hear this case. The recommendation included that the hearing be conducted as an evidentiary hearing. However, the Board Office wished to modify this to a hearing on the record with briefs and oral arguments.

President Curris stated he disagreed with the Board Office recommendation and felt it was a poor recommendation which would disturb the university for many years to come. He said there was nothing in the conduct of the university that should not be opened to scrutiny. He said in this instance the employee violated the university's code of conduct on sexual harassment, and a faculty committee of peers held two hearings and unanimously concurred the individual was guilty. As a result of that decision, a letter of reprimand was placed in the employee's personnel file. He noted the incident happened two years ago. He stated this was an issue of internal faculty discipline where faculty members disciplined one of their peers. He said he did not understand why the Board Office staff was concerned if the federal government came in and found the faculty member not guilty. He said he did not know what standards the federal government used and believed it was not important to the university whether the faculty members violated the federal standards because the university's standards were violated.

President Curris stated he was concerned if the board did authorize a hearing officer to hear the case, a precedent could be established. He stated he felt the cost could also be significant. He indicated the student had since graduated, and the faculty member was on leave. He stated he did not want to argue but felt he should uphold the integrity of the university's internal discipline program.

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Director Wright stated this was not a matter where, in his opinion, the OCR found the person not guilty of sexual harassment. It is a matter that the university had chosen to credit the testimony of the complaining party, and the OCR found it to be not credible. He stated when the committee was hearing the case, the employee opposed the hearing. The employee said the time period had passed for the committee to hear the complaint. The employee also indicated at that time he had saved certain documents from the student that would have been to his benefit to present, but he had destroyed them when the deadline for the hearing had passed.

President Curris stated he had read the two-page report from the committee in which the committee quotes the employee and that quote was the basis for the decision of guilty. He stated it was not the credibility or lack of credibility of the student. He stated this was a case of basically two individuals developing a nonamorous relationship which extended outside of the classroom. The committee pointed out that both individuals were responsible for the events which led to the problem.

President Curris stated if the board expected faculty members to review and discipline peers, the board should then uphold the decisions.

President McDonald stated this was not just a reprimand, it was a reprimand for sexual harassment and is a major stain on a professional record. He said the last time the board was asked to review the matter, it recommended that it be deferred pending completion of the OCR appeals process which was now completed. He stated the appeal arose again essentially from a difference in judgment of the faculty committee and the OCR in considering the allegations of the student and the employee. He stated the recommended action was for the board to make the final decision, and he felt that was a proper course of action.

Regent Anderson stated this appeal differed from so many appeals where the board had upheld the decision of the institutional officials. She stated there was a great deal of confusion about how to define sexual harassment in the minds of many people. She said the university was following its policy, and the OCR was following a different policy. She said if the board could not expect for faculty to have a higher standard, she felt the whole idea of being able to deal with sexual harassment on the campuses would be seriously undermined.

President McDonald stated he did not see it that way at all.

Regent Tyler asked what the status of the appeal would be in the event the board did not accept the Board Office recommendation. Mr. Richey said the finding of the campus committee would be upheld, and the letter of reprimand would stay in the file for the three-year period. Director Wright stated the employee would also have the right to go to district court.

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President Curris stated he had received specific recommendation from the faculty committee that the letter be placed in the file for three years; and, if there were no further problems, the letter would be removed at the end of the three years. He stated the letter was put in the file 21 months ago.

Director Wright stated the employee would like to make himself a candidate for promotion, but he would not do so as long as the letter was in the file.

Regent Murphy asked who from the OCR investigated the case.

Director Wright stated he understood it had been investigated by more than one person. He said it was not so much the issue of whether sexual harassment took place as it is the issue of whether the person who was alleging sexual harassment was credible, and the OCR found that person to not be credible.

Regent Harris stated the university committee apparently had the same information as the Office of Civil Rights and yet arrived at a different conclusion.

Mr. Richey stated the reason for the Board Office recommended the case be heard is that there was an obvious difference between the two bodies. The Board of Regents by its own policies gives employees the right of appeal to the board. He said his recommendation was based on what he felt was appropriate according the board policy in order to ascertain what the truth was.

Regent Murphy asked for an explanation of the hearing process.

Mr. Richey stated a hearing officer would be appointed and would hear the case just as a judge would. The case would be heard on the record plus additional evidence. Regent Harris asked if the hearing officer would have subpoena power. Mr. Richey indicated no.

Regent Harris stated it was possible that the hearing officer would make a decision on less information than the original committee. Mr. Richey stated that could be possible if people declined to appear.

Regent VanGilst asked how the costs would be paid. Mr. Richey stated the University of Northern Iowa would bear the cost, and he did not have any recent cost estimates.

Director Wright said under the administrative procedures act certain agencies have hearing officers could be loaned to the other state agencies. He estimated the cost would be less than \$200.

Mr. Richey said he was not sure the board should restrict itself to just that list and look at the list of hearing officers from the American Arbitration

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Service and other national associations. He stated they would want to be sure to get someone who was thoroughly familiar with academe.

Director Wright stated the charge by a member of the American Arbitration Service would be from \$300 to \$450 per day.

Regent VanGilst stated he would want to be sure that the hearing officer would not be biased.

Mr. Richey stated there was really no way to assure that. He said the purpose of the recommendation to get to the truth. He said the board wanted the students protected against sexual harassment, and the the board or the university should never lose sight of that. He stated the president of the board would be the appropriate person to select a hearing officer.

Regent Anderson stated if the board approved the recommended action, it would send a signal that the system set up on the campus could be challenged which is exactly what the board does not want to do. She said it would set two precedents--one of undermining the internal workings of the university and it would be almost impossible for anyone to bring sexual harassment charges against an employee.

Regent Harris stated he had read a great deal of material about this case. He recalled there were some letters written by the student and sent to the professor.

Director Wright stated those were documents which were destroyed.

Regent Murphy stated she opposed the Board Office recommendation. She said that since the faculty committee of five members made a unanimous decision against a peer she could not help but believe that it was an agonizing decision. She said she supported the decision of the university committee.

Vice President Christensen stated he hoped the board recognized the right of faculty to set standards higher than the rest of society.

MOTION: Regent Anderson moved that the board deny the appeal of the employee. Regent Murphy seconded the motion, and the motion carried, with Regent VanEkeren opposed.

**CONTINUATION OF THE PHASED RETIREMENT PROGRAM (FACULTY AND PROFESSIONAL AND SCIENTIFIC STAFF).** The Board Office recommended that the board approve continuation through June 30, 1992, of the phased retirement program for faculty and professional and scientific employees of the five Regent institutions and Board Office as outlined and receive the reports of the institutions on the operation of the program.

Director Wright stated the Board Office and institutions recommended continuation, with some modifications, of the phased retirement program for faculty and professional and scientific staff. The recommendation was based on an analysis of the success of the program at the three universities and on anticipated needs of the institutions in the next five years.

The institutions and Board Office agreed on the following modifications:

- o Reducing the age from 60 to 57.
- o Requiring full retirement at the end of the phasing period instead of the present option of continuing indefinitely at 50 percent of full time.
- o Replacing the requirement for specific prior approval by the board to monthly retrospective approval in the personnel register and an annual report.
- o Reducing the initial phasing maximum from the current 80 percent to 75 percent of full-time employment.
- o Continuing the incentives offered in the current program.

Director Wright said the institutions had originally proposed 10 years of service for eligibility but after consultation with the Board Office agreed to 15 years.

A summary of the utilization and financial impact of the program is shown below:

	Number of Participants				Number Fully Retired
	Faculty	P & S	Merit	Total	
University of Iowa	24	13	12	49	29
Iowa State University	34	4	3	41	10
University of Northern Iowa	<u>10</u>	<u>4</u>	<u>2</u>	<u>16</u>	<u>6</u>
Totals	68	21	17	106	45

	Financial Impact					
	University of Iowa		Iowa State University		University of Northern Iowa	
	Incentive Amounts	Released Funds	Incentive Amounts	Released Funds	Incentive Amounts	Released Funds
1982 - 83	38,982	87,546	6,248	10,801	0	0
1983 - 84	74,494	161,401	28,576	36,546	11,724	46,899
1984 - 85	106,199	218,400	86,978	156,681	24,884	99,538
1985 - 86	135,468	270,774	115,274	223,646	22,905	91,626
1986 - 87	<u>157,198</u>	<u>304,055</u>	<u>172,854</u>	<u>360,112</u>	<u>37,184</u>	<u>146,717</u>
Totals	512,341	1,042,176	409,930	787,786	96,697	384,780

The phased retirement program currently available to Regents Merit System employees would continue unchanged. This program was effective July 1, 1984.

When the board approved the first phased retirement program at the University of Iowa and Iowa State University in July 1982, it established a sunset date for such programs of June 30, 1987. As the University of Northern Iowa, the special schools and the Board Office were brought into the program, the same sunset date applied. The board indicated that it would review the operation of the program in 1987 and determine if it should be continued. The Board Office and institutions concurred that the program had been beneficial and recommended its continuance. The Board Office recommended it be continued through June 30, 1992, with factors discussed above.

Vice President Remington stated he believed this to be an excellent modification of the plan. He said it continued a program that the universities believed to be a great success.

Regent Tyler asked the rationale behind reducing the age and years of service. Mr. Richey stated it was to encourage greater usage. He said it would give the universities greater flexibility in reduction of force in the future and also there were times when it would help the universities to retain faculty members longer.

**MOTION:** Regent Harris moved that the board approve the continuation of the Phased Retirement Program as outlined and receive the reports of the institutions on the operation of the program. Regent Murphy seconded the motion, and it carried unanimously.

**BOARD OFFICE PERSONNEL REGISTER.** The Board Office recommended the board approve the resignation of Lesa Smith, Secretary II, effective February 13, 1987. President McDonald stated this item had been approved by general consent of the board.

President McDonald then asked board members and institutional executives if there were additional miscellaneous or general items to be raised for discussion. There were none.

## STATE UNIVERSITY OF IOWA

The following business was transacted on Wednesday, March 11 and Thursday, March 12, 1987.

**CONTINUED SUSPENSION OF THE PARIETAL RULE AT THE UNIVERSITY OF IOWA.** The Board Office recommended that the board approve suspension of the parietal rule for the University of Iowa for an additional five years through academic year 1991-92, approve submission of a Notice of Intended Action, and schedule a public hearing to provide opportunity for public comment to precede any reinforcement of the parietal rule.

The parietal rule requires all unmarried freshman and sophomore students at the University of Iowa to reside in university dormitories, fraternities, or sororities. The University of Iowa requested that the parietal rule be suspended for 1987-88 through 1991-92.

In January 1979, the Board of Regents approved the suspension of the parietal rule for sophomores at the University of Iowa commencing with academic year 1979-80 and for freshmen at the university commencing with academic year 1980-81. Board action was taken based on the understanding that the education opportunities and fiscal integrity of the residence system would be maintained or improved during the period of suspension. In February 1984, the board acted to continue the suspension of the rule for three years through academic year 1986-87.

The university asserted that anticipated enrollment declines during the five-year period covered by the requested suspension would not adversely affect the system. The university would continue to give priority for assignment in the system to new entering students but would also recruit students now in special programs (e.g., international and special support students). "Programs and support services will be enhanced and fine-tuned to not only attract the new students, but to encourage current residents to continue living in residence halls beyond their first two years."

**RESIDENCE SYSTEM FUND TRANSFER TO THE DORMITORY IMPROVEMENT FUND FROM THE DORMITORY SURPLUS FUND AT THE UNIVERSITY OF IOWA.** The Board Office recommended the board approve a proposed transfer of \$3,086,500 from the Dormitory Surplus Fund to the Dormitory Improvement Fund.

The Residence System Dormitory Improvement Fund provides for major repairs, replacements and renovations to the university residence system. Existing bond resolutions require the mandatory transfer of \$600,000 per year from operating revenues to the Dormitory Improvement Fund.

The mandatory transfers specified in the bond resolutions were generally not adequate to cover the cost of dormitory renovation and capital improvement projects, and the University of Iowa has regularly requested the transfer of additional funds from the residence system Surplus Fund to the Improvement Fund. Similar requests have been approved in prior years for the University of Iowa as well as for Iowa State University and the University of Northern Iowa.

The university estimated expenditures for major repairs, replacements and renovations for fiscal year 1987 to be \$2.65 million. The projects to be supported by the Improvement Fund were:

<u>Fiscal Year 1987 Major Repairs, Replacements and Renovations</u>	<u>Amount</u>
Fire Safety Alterations	\$ 55,000
Caulking and Waterproofing	34,000
Replacement of Water Piping	222,000
Replacement of Booster Pump	40,000
Renovation of Showers	124,000
Replacement of Gutters and Roofs	189,000
Replacement of Sundeck	70,000
Miscellaneous Projects under \$25,000	554,000
Equipment Replacement	<u>1,362,000</u>
Total	\$2,650,000

Expenditures for major repairs, replacements and renovations for fiscal year 1988 are estimated at \$3.5 million.

The dormitory bond covenants require Regent approval of proposed transfers from the Surplus Fund. Although the amount of this transfer is greater than in previous years, it was considered to be necessary and acceptable.

**PRELIMINARY BUDGET ESTIMATES AND PROPOSED RESIDENCE SYSTEM ROOM, BOARD, AND FAMILY HOUSING RATES, 1987-88.** The Board Office made the following recommendations:

1. Approval of the proposed rate schedule for the residence halls beginning with the 1987-88 academic year.
2. Approval of the proposed rate schedule for family housing units beginning with new and renewed leases May 1, 1987.
3. Approval of the proposed increase in the Associated Residence Halls Activity Fee from \$4 to \$6 per year beginning with the 1987-88 academic year.
4. Acceptance of the preliminary residence system budget for 1987-88, subject to further review and action when university operating budgets are approved for 1987-88.

The University of Iowa proposed a dormitory rate for a double occupancy room with full board of \$2,366 per occupant, an increase of \$122 or 5.4 percent over 1986-87. Increases for family housing range from 3.9 percent to 8.5 percent plus the addition of a monthly charge for local telephone service.

The basic dormitory rates for single students in double occupancy units with 20-meal contracts over the past five years are shown below:

<u>Fiscal Year</u>	<u>Rate</u>	<u>Change</u>
1983	\$1,976	3.3 %
1984	2,051	3.8
1985	2,127	3.7
1986	2,244	5.5
1987 (Proposed)	2,366	5.4

The university reported that its proposed rate increases averaged 5.9 percent for residence hall room and board operations. The proposed rates for multiple, triple, double and single occupancy rooms with full board range from \$2,092 to \$2,662 per academic year. The proposed increases over 1986-87 vary from 5.4 percent to 6.7 percent. Additional charges are assessed for rooms with air conditioning, private bath, kitchen units or suites.

The proposed rates for double occupancy rooms include increases of 7.8 percent in the basic room rate and 3.1 percent in the annual board rate for 20 meals per week. Other board options include lunch and dinner only or breakfast and dinner only as well as Monday through Friday options available to residents of the Mayflower and off-campus students.

The proposed basic room rates include the Associated Residence Halls Activity Fee with an increase proposed from \$4 to \$6 per year. This fee is collected from residents for their student government and is divided between the Associated Residence Halls budget and the building associations (the student government organization for each building). This fee remains lower than

comparable fees at Iowa State University and the University of Northern Iowa. The university reported that representatives of the Associated Residence Halls organization reviewed several proposals for housing rate increases and recommended the plan requested by the university.

During the current year all the family housing apartments were wired to become part of the university telecommunications system. The university reported that charges for the newly installed phones were billed directly to tenants. After May 1, 1987, it was proposed to include one telephone and local telephone service as part of the family housing lease. The university reported that this policy appeared to have been accepted by residents in the family housing units.

Monthly rates proposed for family housing ranged from \$139.75 to \$265.50. The proposed increases ranged from \$24.25 per month to \$36.75 per month and included, for the first time, a charge of \$19.75 for local telephone service and one telephone per apartment. Without the addition of the telephone charge, the increases would be from \$4.50 per month to \$17 per month (3.9 percent to 8.5 percent increases).

The university reported a revised estimate of its budget for 1986-87 reflecting an increase of \$355,000 in revenues over the amount originally budgeted and a decrease of \$128,000 in expenditures. The revised budget provided \$2.1 million to the voluntary reserves, an increase of \$482,000 over the original budget level.

The university proposed a preliminary residence system revenue budget for 1987-88 of \$21,093,317. This included \$16,740,972 in expenditures for operations with the remainder for debt service, reserves and university overhead payments. It provided a 4.7 percent increase in revenues and an 8.5 percent increase in operating expenditures.

Budgeted expenditure increases for 1987-88 over the revised estimates for 1986-87 are shown below by expenditure category:

<u>Expenditure Category</u>	<u>Proposed Change 1987-88 Over 1986-87</u>
Salaries, Wages and Benefits	5.1 %
Cost of Food or Goods Sold	1.3
Repairs and Maintenance	6.7
Utilities	10.3
Other Operating Expense	24.5 *
<b>TOTAL OPERATING EXPENDITURES</b>	<b>8.5 %</b>

\*Includes cost of telephones added to family housing units and an accounting change in the budgeting of resident assistant costs.

The salaries expenditure category included an assumption of 5.5 percent average increases in 1987-88. The university may need to review this assumption with respect to the impact of comparable worth adjustments prior to preparation of the final budgets. The salaries category is also affected by two other budget adjustments.

First, the proposed budget for 1987-88 incorporates the final stage of a series of planned transfers from university general fund support of student life programs to total residence hall operating budget support for these programming costs and associated staff. Support of \$132,600 is transferred from the general fund to the residence system budget in 1987-88. This will result in an increase in the total number of full time equivalent (FTE) staff members budgeted in the residence system and a concomitant increase in the salaries budget.

Secondly, a proposed modification in salary packages for resident assistants resulted in a shift of approximately \$330,000 from the salaries line to the other operating expense line. This shift represented a process of reducing resident assistant salaries by the amount of their room and board costs rather than paying the full salary and then charging separately for room and board costs. The net result is an apparent reduction in the salaries budget category and a contribution to the large apparent increase in other operating expense. Much of the rest of the increase in other operating expense is the result of the addition of telephone service in family housing units. A total of \$188,000 is included in both revenues and expenses for the cost of local telephone service and one telephone per apartment.

The University of Iowa residence system reported total indebtedness (principal only) as of June 30, 1986 of \$25,555,000 in revenue bonds and \$77,437 in the Hawkeye Park Loan Agreement. This included the dormitory system bonds sold for the purchase and renovation of the Mayflower Apartments in 1983. Bond resolutions for outstanding bonds require minimum payments and transfers as shown below for 1987-88:

Debt Service (Principal and Interest - Sinking Fund)	\$2,012,215
Mandatory Transfers (Improvement Fund)	<u>600,000</u>
Total	\$2,612,215

The bond resolutions also require that the ratio of net operating income to debt service due must exceed 1.5 before any additional bonds are issued. This ratio has generally been maintained at over 2.0 and is projected to be 2.2 for 1987-88.

The proposed budget for 1987-88 indicated net revenues after deducting expenditures for operations, debt service and mandatory transfers, of \$1,740,130. This amount available for voluntary reserves including the operation and maintenance fund, the improvement fund and the surplus fund. The total voluntary reserve balance as of June 30, 1988, was projected to be

\$5.23 million. This represented approximately 25 percent of projected revenues, a level well in excess of the 10 percent generally accepted by the institutions as a minimum reserve standard.

Although the level of voluntary reserves appeared to be adequate at this time, the university reported that a portion of the proposed rate increase for 1987-88 was necessary in order to avoid future shortfalls in the voluntary reserves. The proposed rate increases would generate income to cover both inflationary costs for 1987-88 and an additional increase of \$197,000 necessary in order to maintain adequate reserve balances in future years.

Vice President Hubbard of the University of Iowa stated the information contained in the various residence system reports was voluminous and a great deal of time had been spent in preparing them. He said the policy in planning the Ten-Year Plan was basically to be sure they kept the Physical Plant in adequate condition, met safety standards and kept the bond holders happy. He stated it was important to try to keep the rates at minimum for student occupancy. Referring to the actual rate increase, he said they have attempted to keep any increase as low as possible. They have set aside the amounts required for bonding resolutions. With regard to the parietal rule, he stated incoming students chose to live in residence halls. The demand from the freshman and sophomore students had been so great they were unable to accommodate the older students who requested space. He said if occupancy did decline they had plans to reduce the triples to doubles. He stated they would always keep as many triples as was needed to meet the demand. The triples are the least expensive, and they will keep them available for those students who need them to keep within their budget.

Vice President Hubbard stated they had worked to calculate what was needed to meet financial obligations and then presented the results to the students and gave them a chance to ask questions.

Vice President Ellis said one of the objectives was that the Physical Plant be maintained and kept in sound condition and attractive. He stated they will assist the management in carrying out this objective.

Regent VanGilst asked if freshmen and sophomores were not required to live in the residence halls, were there regulations to govern where they could be housed. Vice President Hubbard stated there were services to help students to find housing. The landlords must meet standards and if the university received any complaints from the students they would be taken off the list of approved housing for the university.

Regent VanGilst asked if it had ever presented a problem, specifically for freshmen students. Vice President Hubbard said no, not that they knew of. He said within the last two weeks they had a request from parents whose son was living off campus and they wanted to have him accommodated on campus. He

stated they could accommodate the students when there is a request to have them on campus.

**MOTION:** Regent Murphy moved that the board approve the suspension of the parietal rule for the University of Iowa for an additional five years through academic year 1991-92, approve submission of a Notice of Intended Action, and schedule a public hearing to provide opportunity for public comment to precede any reinforcement of the parietal rule; and approve a proposed transfer of \$3,086,500 from the Dormitory Surplus Fund to the Dormitory Improvement Fund; and the preliminary budget estimates and proposed residence system room, board and family housing rates, 1987-88. Regent VanEkeren seconded the motion, and it carried unanimously.

**REGISTER OF PERSONNEL CHANGES.** The register for the month of February 1987 was approved as part of the consent docket.

**MFA IN COMPARATIVE LITERATURE.** The Board Office recommended the board refer the request for an MFA in Comparative Literature at the University of Iowa to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

**ACTION:** President McDonald stated the request for an MFA in Comparative Literature at the University of Iowa was referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation was approved by general consent of the board.

**APPROVAL OF ADDITIONAL DEVELOPMENTAL ASSIGNMENTS FOR 1987-88 AT THE UNIVERSITY OF IOWA.** The Board Office recommended approval of one additional developmental assignment for 1987-88 for the University of Iowa.

Last month the board approved 100 developmental assignments for the University of Iowa for the 1987-88 year. The additional assignment being requested was for one semester and no replacement cost was required.

**ACTION:** President McDonald stated the approval of an additional developmental assignment for 1987-88 at the University of Iowa was approved by general consent of the board.

**REPORT OF PROFESSIONAL EXTRAMURAL ACTIVITIES OF FACULTY.** The Board Office recommended the board receive the report of professional activities of faculty at the University of Iowa.

The University of Iowa policy on consulting and other professional extramural activities defines professional extramural activity as work for a non-university entity for which faculty members receive remuneration other than their university salary and which involves their field of expertise. The policy further states that except in extraordinary circumstances, the professional extramural activities "shall not exceed an aggregate of one day per week over any interval of appointment during which the faculty member is in a full-time status at the university." A full-time faculty member may undertake professional extramural activity for more than three days during a semester if, upon receiving the recommendation of the departmental executive officer, the dean concurs in writing with the faculty member's judgment that the activity will not exceed an aggregate of one day per week and will not conflict with the faculty member's obligation to the university.

In its last report on extramural activities (1982-84), the university reported only those activities which were required to be reported to the dean (i.e., faculty extramural activity exceeding three days per semester). At that time, the Board Office recommended and the board approved a request that the university begin to accumulate data on the extramural activities of faculty that included all such activities, not just those exceeding three days per semester. This year's report reflected compliance with that request.

President McDonald stated in evaluating the operation of this policy, the university noted the many positive benefits both to the faculty member and to the university for faculty members engaging in such activity. He said the university noted that the policy appeared to be working well in ensuring that extramural activity did not conflict with university responsibilities while not discouraging faculty participation in appropriate activities.

**ACTION:** President McDonald stated the report on professional extramural activities of faculty at the University of Iowa was approved by general consent of the board.

**APPOINTMENT.** The University of Iowa requested that the board approve the appointment of James E. Christenson as Director of Physical Plant effective April 20, 1987, at an annual salary of \$62,100.

Vice President Ellis stated he was pleased to bring this appointment to the board for approval. The Physical Plant had been without a director for a year, which was by design, in order to have an opportunity to review the Physical Plant operation, which had not been performed in recent years. He said after the review they knew what type of person they were looking for and initiated a nationwide search. He stated Mr. Christenson possessed the

educational credentials, professional experiences and personal qualities needed to provide the leadership required to enhance the support services from the Physical Plant Department.

**MOTION:** Regent Harris moved that the board approve the appointment of James E. Christenson as Director of Physical Plant effective April 20, 1987, at an annual salary of \$62,100. Regent VanGilst seconded the motion, and it carried unanimously.

**REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS FOR THE PERIOD OF FEBRUARY 6, 1987 TO FEBRUARY 26, 1987.** Associate Director Runner stated the final register for the University of Iowa had been reviewed by the Board Office and was in order. He stated approval of the register was recommended.

Highlights of the register are as follows:

**PERMISSION TO PROCEED WITH PROJECT PLANNING:**

Neuroradiology Procedure Suite

The university requested permission to initiate planning on a new Special Procedure Radiographic Suite on the third floor of the Colloton Pavilion. The project would finish approximately 7,500 square feet of shelled-in space immediately adjacent to the Diagnostic Radiology Suite. The project included construction of three procedure rooms, a radiographic room, reception and waiting areas, prep rooms, and computer and image viewing rooms.

The University Hospitals estimated that the construction cost for this project was approximately \$1.1 million. Cost figures would be developed further and refined as project planning proceeded. Funding for the project would be from University Hospital building usage funds.

**PROJECT DESCRIPTIONS AND BUDGETS:**

<u>Structural Repair--Recreation Building</u>	<u>\$2,413,000</u>
Source of Funds:	
Recreation Building Bond Fund Reserves	
Treasurer's Temporary Investments	
UI Foundation or Men's Intercollegiate	
Athletic Department Revenues	

In October 1986 the board ratified the selection of Wiss, Janney, Elstner Associates, Inc., Northbrook, Illinois, as project engineers. The firm investigated the structural problems of the facility and have completed the design work on the repair project.

The project involves removal of the roof deck in several locations, replacement of ten of the sixteen laminated beams and repair of five additional beams, installation of new decking and a single-ply roofing system. In addition, the project involved reinforcing the sidewall to improve resistance to the outward forces of the roof system.

**CONSTRUCTION CONTRACTS:**

The following construction contracts were awarded by the university on behalf of the board:

<u>University Hospitals and Clinics--Replace Concourse Corridor Fire Doors</u>		<u>\$37,235</u>
TRICON, Iowa City, Iowa	(4 bids received)	
<u>University Hospitals and Clinics--West Stairs Two Hour Enclosure to Exterior</u>		<u>\$22,300</u>
TRICON, Iowa City, Iowa	(4 bids received)	
<u>University Hospitals and Clinics--Westlawn Dormitory Shower Conversion</u>		<u>\$30,015</u>
George Kondora Plumbing & Heating, Inc., Iowa City, Iowa	(5 bids received)	

The university reported acceptance of three construction contracts. One of the completed contracts was for the University Hospitals and Clinics Centralized Ambulatory Surgery Center. The remaining two completed contracts were for projects under \$250,000. Inspection found that the contractors complied with the plans and specifications. The university recommended that the work be accepted as complete.

**MOTION:**

Regent Duchen moved that the board approve the Register of Capital Improvement Business Transactions for the period of February 6 to February 26, 1987. Regent Greig seconded the motion, and it carried unanimously.

**LEASE OF PROPERTY - ST. JOSEPH'S HOSPITAL, OTTUMWA, IOWA.** The Board Office recommended that the board approve a lease with ST. JOSEPH HOSPITAL, Ottumwa, for the university's use of approximately 612 square feet of office and clinical space (Rooms 203, 204, 205, and 206) in the building located at 317 Vanness Avenue, Ottumwa, at an annual rent of \$3,060 for the term April 1, 1987, to March 31, 1988 (renewal).

The board currently rents this space at St. Joseph Hospital in Ottumwa for the Southeast Regional Office of Iowa Specialized Child Health Services. The rental rate was calculated at \$5.00 per square foot per year. This represented an 11 percent increase over the rate charged for the current

year. However, the rate was still less per square foot per year than was paid in 1985-86.

Pursuant to Executive Order No. 44, the university considered vacant space in school houses in Ottumwa. Space available at vacant schools in the community did not meet the program needs of accessibility to the hospital's laboratories for special tests and did not provide adequate accessibility for the handicapped.

**MOTION:**

Regent VanEkeren moved that the board approve a lease with ST. JOSEPH HOSPITAL, Ottumwa, for the university's use of approximately 612 square feet of office and clinical space (Rooms 203, 204, 205, and 206) in the building located at 317 Vanness Avenue, Ottumwa, at an annual rent of \$3,060 for the term April 1, 1987, to March 31, 1988. Regent Duchen seconded the motion, and upon the roll being called, the following voted:

AYE: Anderson, Duchen, Greig, Harris, McDonald, Murphy, Tyler, VanEkeren, VanGilst.

NAY: None.

ABSENT: None.

**ACADEMIC BUILDING REVENUE BONDS, SERIES S.U.I. 1987.** The Board Office recommended the board adopt "A Resolution authorizing Executive Secretary to fix the date or dates for the sale of up to \$10,550,000 Academic Building Revenue Bonds, Series S.U.I. 1987."

The 1986 session of the General Assembly authorized the sale of Academic Building Revenue Bonds for two projects at the University of Iowa. House Concurrent Resolution 136 authorized Chemistry-Botany Remodeling, Phase II. House Concurrent Resolution 133 authorized the sale of up to \$5 million for research and instructional equipment at the three universities. \$2 million of that amount was earmarked for molecular biology and laser science and engineering equipment at the University of Iowa.

At this meeting the board was asked to take actions to set in motion the proposed sale in April of \$10,550,000 in bonds for the University of Iowa. Last month the board similarly authorized the Executive Secretary to fix the date for the sale of \$7.4 million in bonds for Iowa State University.

The board was authorized to issue on behalf of the University of Iowa a total of \$10.55 million in Academic Building Revenue Bonds to be distributed as follows:

Chemistry-Botany Remodeling--Phase II	\$ 8,550,000
Laser Science and Engineering Equipment	<u>2,000,000</u>
TOTAL	\$10,550,000

The estimated cost of issuance of these bonds was \$55,000, which was included in the \$10,550,000 total.

Associate Director Runner stated alternative financing structures for the issue were currently under discussion with the university, the Board Office, and the board's financial advisor. One alternative would be issuance of a portion of the bonds as capital appreciation bonds or zero coupon bonds. Zero coupon bonds pay no interest until the bond matures, similar to U.S. Savings Bonds, Series EE. The Board Office would work with the university, the board's bond financial advisor and bond counsel to carefully consider the financial and marketing impact of issuing a portion of the \$10,550,000 as zero coupon bonds.

The resolution directing the advertisement for the sale of \$10,550,000 Academic Building Revenue Bonds, Series S.U.I. 1987, authorized the Executive Secretary to establish the date of sale of these bonds and directed the Executive Secretary to prepare and place the Notice of Sale of the bonds. This Notice of Sale would be published in the customary form and in the manner required by Chapter 262.A of the Code of Iowa. The tentative sale date for these bonds was April 22, 1987.

Vice President Ellis stated they have been studying the zero coupon bonds along with financial advisors and found many are being issued in this form. He said there seems to be a particular demand for these types of bonds because of changes in the tax laws. It was a way to put away funds for the future education of children and grandchildren. These bonds can be purchased in amounts that would pay tuition at a later date. If the child decides to go to school out of state or not at all there would be no risk. Also, people who are involved in marketing these bonds feel there is a market for them. He proposed that \$2.5 million be structured in this way to find out if there is such a market and how strong it would be. He stated the bonds are not taxable at the present time.

Regent Greig stated that if the bonds could be promoted it would help. Vice President Ellis stated it would serve other purposes, such as putting funds away for retirement, etc. The bonds would come due in a period of 18 to 20 years.

Regent VanGilst asked how the zero coupon bonds would be affected with the General Assembly. With the other bonds the General Assembly paid the installments when they became due. Vice President Ellis stated there would not be any significant change.

MOTION:

Regent Anderson moved that the board adopt "A Resolution authorizing the Executive Secretary to fix the date or dates for the sale of up to \$10,550,000 Academic Building Revenue Bonds, Series S.U.I. 1987." Regent VanGilst seconded the motion, and upon the roll being called the following voted:  
AYE: Anderson, Duchon, Greig, Harris, McDonald, Murphy, Tyler, VanEkeren, VanGilst.  
NAY: None.  
ABSENT: None.

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

## IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, March 11, 1987.

**SALES OF ACADEMIC BUILDING REVENUE BONDS, SERIES I.S.U. 1987.** The Board Office recommended the board (1) adopt "A Resolution providing for the sale and award of \$7,400,000 Academic Building Revenue Bonds, Series I.S.U. 1987, and approving and authorizing the agreement of such sale and award;" (2) adopt "A Resolution authorizing and providing for the issuance and securing the payment of \$7,400,000 Academic Building Revenue Bonds, Series I.S.U. 1987, for the purpose of defraying the cost of renovating Gilman Hall located on the campus of the Iowa State University of Science and Technology, and acquiring certain equipment for the use on the campus of the Iowa State University of Science and Technology, and paying certain costs of issuing the bonds."

The 1986 session of the General Assembly in House Concurrent Resolutions 133 and 134 authorized the board to issue \$10,550,000 Academic Building Revenue Bonds for Iowa State University. House Concurrent Resolution 134 authorized \$5.4 million for Gilman Hall Remodeling--Phase II. House Concurrent Resolution 133 authorized the sale of up to \$5 million for research and instructional equipment at the three universities. \$2 million of that amount was earmarked for biotechnology equipment and microelectronics equipment at Iowa State University.

In February the board adopted a resolution authorizing the Executive Secretary to fix the date for the sale of the \$7.4 million Academic Building Revenue Bonds for Iowa State University. The sale date was fixed at March 11, 1987, appropriate public advertising was done, and an official statement was prepared. A copy of the official bond statement was sent directly to board members by Springsted, Inc. (the board's financial advisor).

Director True stated the sale of the Academic Building Revenue Bonds occurred in two steps. The first step was the receipt and opening of bids at 11:30

a.m. on March 11. The board's Associate Director of Business and Finance, Richard Runner, received the sealed bids and oversaw the opening of the bids. Luther Anderson of Springsted, Inc., assisted with the opening of the bids, along with Kenneth Haynie and Tom Stanberry, legal counsel.

Director True introduced Luther Anderson. Mr. Anderson stated two bids had been received from the two traditional accounts that bid on these bonds. Others had been solicited to submit bids, but they declined stating the two syndicates bid so cheaply that they could not compete with them. The bids received were as follows:

John Nuveen	6.2016 percent
Merrill Lynch	6.1797 percent

The total net interest cost for John Nuveen was \$8,012,556.25. Merrill Lynch, who joined with Dean Bosworth and E. F. Hutton for the bid, submitted a total net interest cost of \$7,984,215.38, making this the lower of the two bids submitted.

Mr. Anderson stated that as a comparison, Iowa State University together with the University of Northern Iowa sold bonds in December at a net interest rate of 6.47 percent, which is 30 basis points higher than the low bid received on the sale of the above bonds. The previous bonds were for a ten-year period, while the current bonds were for 17.5 years. He said this represented an improvement in the bond market, and believe the bids received were very good. He said bonds sold one day prior at the University of California System for a similar term, and the net interest was 6.63 percent. He recommended the board award the purchase of the bonds to Merrill Lynch.

MOTION:

Regent Van Gilst moved that the board adopt "A Resolution providing for the sale and award of \$7,400,000 Academic Building Revenue Bonds, Series I.S.U. 1987, and approving and authorizing the agreement of such sale and award." Regent Harris seconded the motion, and upon the roll being called, the following voted:

AYE: Anderson, Duchen, Greig, Harris, McDonald, Murphy, Tyler, VanEkeren, VanGilst.

NAY: None.

ABSENT: None.

Whereupon the president declared the motion duly carried and said resolution adopted.

MOTION:

Regent Duchen moved that the board adopt "A Resolution authorizing and providing the issuance and securing the payment of \$7,400,000 Academic Building Revenue Bonds,

Series I.S.U. 1987, for the purpose of defraying the cost of renovating Gilman Hall located on the campus of the Iowa State University of Science and Technology, and acquiring certain equipment for the use on the campus of the Iowa State University of Science and Technology, and paying certain costs of issuing the bonds." Regent VanEkeren seconded the motion, and upon the roll being called, the following voted:  
AYE: Anderson, Duchen, Greig, Harris, McDonald, Murphy, Tyler, VanEkeren, VanGilst.  
NAY: None.  
ABSENT: None.  
Whereupon the president declared the motion duly carried and said resolution adopted.

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

**PRELIMINARY BUDGET ESTIMATES AND PROPOSED RESIDENCE SYSTEM ROOM, BOARD AND APARTMENT HOUSING RATES, 1987-88.** The Board Office recommended that the board approve the proposed rate schedule for residence halls effective June 1, 1987; approve the proposed rate schedule for family/single student apartment housing effective July 1, 1987; and accept the preliminary residence system budget for 1987-88 subject to further review and action when university operating budgets are approved for 1987-88.

Iowa State University proposed a basic dormitory rate with full board of \$2,242 per occupant, an increase of \$202 or 9.9 percent over 1986-87. Increases of \$24 (7.2 to 23.8 percent) were proposed for family/single student apartment housing units.

The basic dormitory rates for single students in double occupancy units with 20 meal contracts for the past five years are shown below:

<u>Year</u>	<u>Rate</u>	<u>Percent Change</u>
1983-84	\$1,812	2.8 %
1984-85	1,848	2.0
1985-86	1,918	3.8
1986-87	2,040	6.4
1987-88 (Proposed)	2,242	9.9

The university reported that its proposed rate increases average 9.9 percent for residence hall room and board rates and 13.1 percent in student apartment rents. These increases were necessary in order to support increases in operating costs accompanied by decreases in occupancy and meal plans. In

addition, increased contributions to reserves were essential in order to restore the voluntary reserves to the levels generally considered acceptable.

At Iowa State University the basic dormitory rate for a single undergraduate student was identical for triple, double or single occupancy rooms. The university previously reported that in a survey conducted in 1981, residents of all types of units strongly supported the one rate plan. The university planned to conduct a follow-up survey on room rate alternatives during the current semester. Residents would also have the opportunity to indicate their preference for several types of board plans.

The proposed rates for the undergraduate residence halls included increases of 9.9 percent in both the annual room rate and the annual board rate for a 20 meal contract. Residence Hall Activity Fees are assessed and collected by the student governments at Iowa State University and were reported to range from \$9 to \$29 per year. These fees were in addition to the room rates presented.

The rates for single and double occupancy rooms in Buchanan Hall for graduate and adult students were proposed to be increased by 8.9 percent. Monthly rates in family apartments were proposed to range from \$125 to \$242 with a proposed increase of \$24 per unit (representing increases of 11.0 to 23.8 percent). The rates for single students in university apartments were proposed to be \$146 per month for two single students in Pammel Court and \$359 for four single students in Schilleter Village apartments. The increases proposed in these rates were also \$24 per unit (19.7 percent and 7.2 percent).

Although the amount of the proposed increase in residence hall rates was greater than in recent years and greater than the increase proposed by either of the other universities, it appeared to be essential at this time. The proposed rate increases were expected to provide the income necessary to support inflationary cost increases, occupancy and meal plan decreases and a significant contribution to voluntary reserves. These reserves are presently at a lower level than is considered desirable, largely as the result of a number of major repair, replacement and renovation projects.

The university reported a revised estimate of the 1986-87 residence system budget which indicated revenues of \$776,000 less than had been originally budgeted. Expenditures were estimated to be \$922,000 below the original budgeted level, resulting in an increase of \$147,000 in the amount available for voluntary reserves. A total of \$953,000, in addition to mandatory transfers, was expected to be available for voluntary reserves in 1986-87.

Reductions in revenue, in comparison to the original approved budget for 1986-87, have been the result of reduced occupancy in single student housing, vacancies in 30-40 apartments, and a reduction in conference income during the summer of 1986. Expenditures have been adjusted as necessary, and the university reported that, with an expectation of continued decreases in

occupancy, the process of projecting revenues for future years has been refined.

The university proposed a preliminary residence system budget for 1987-88 of \$25,821,910. This budget would include \$21,871,910 for expenditures for operations with the remainder for debt service, reserves and university overhead payments. It represented a 7.6 percent increase in revenues and a 5.4 percent increase in expenditures for operations.

Budgeted expenditure increases for 1987-88 over the revised estimates for 1986-87 are shown below by expenditure category:

<u>Expenditure Category</u>	<u>Proposed Change 1987-88 Over 1986-87</u>
Salaries, Wages and Benefits	6.0 %
Cost of Food or Goods Sold	3.0
Repairs and Maintenance	10.0
Utilities	6.3
Other Operating Expense	4.0
<b>TOTAL OPERATING EXPENDITURES</b>	<b>5.4 %</b>

The preliminary budget estimate projected a 7.6 percent increase in revenues. An increase of 7.7 percent was projected in contract income (room, board and apartment rents). Other income, which included summer conference income, was projected to increase by \$732,000 or 22.0 percent. A decrease in interest income was expected as a result of smaller reserves and lower interest rates.

The bond resolutions required that the ratio of net operating income to debt service due must exceed 1.5 before additional bonds can be issued. This ratio was expected to be approximately 1.8 in 1986-87 and 2.1 in 1987-88.

The Board Office concurred with the university's goal of restoring the voluntary reserve balance to at least \$3 million and with the need for rate increases in order to maintain the balance while continuing an aggressive maintenance, renovation, refurbishing and improvement program to maintain the attractiveness of the residence halls. The university indicated that it planned to increase its voluntary reserve objective to \$4-5 million in order to provide greater flexibility for continuing facility improvement projects.

The proposed residence system budget for 1987-88 appeared to be based on reasonable projections of revenue and expenditures. The proposed rate increases were intended to generate adequate revenues to cover expenditures for operations, debt service, mandatory reserves, university overhead, repair and renovation of the physical plant and contributions to increase the level of voluntary reserves.

Vice President Thielen stated Iowa State University had one of the largest residence systems in the country, which brings pluses and minuses. He said they haven't been able to meet the demand on housing. They have tripled some rooms and as the demand goes down they will take the triples out.

Charles Frederiksen, Director of Residence at Iowa State University, stated that if there is a decline in enrollment it would provide a way to improve the space and quality of accommodations. With tripling they have been able to spread many fixed costs over a larger amount of students. He said they could handle a total of 11,000 residence students and are currently 800 over capacity. 700-750 are triples, which are spread throughout the system. There are no more than five triples in any one house, so they did not load any facility or make it less attractive. With a reduction in enrollment they would eliminate the triples and return the system to the capacity for which it was originally designed. Pammel Court would be phased out of the residence system with the removal of the remaining 468 units, and a target date of year 2000 for completion. He stated that for three years they had increased staffing and commitment for minority support groups, and had created an organization aimed at helping minority students to get together to offer each other support and to be more visible. In addition they have added an alcohol program to educate students about alcohol abuse. There is considerable interest in the academic houses, cross-cultural houses, faculty involvement houses and no alcohol houses. They will continue to support the special interest houses as long as there are students who are interested.

Mr. Frederiksen stated the rate request proposed for 1987-88 was somewhat greater than the last five or six years. For 1987-88 they requested a 9.9 percent increase for residence halls and 13.1 percent for student apartment rents. The proposed rate increases were expected to provide the income necessary to support inflationary cost increases, occupancy and meal plan decreases and a significant contribution to voluntary reserves.

**MOTION:**

Regent Greig moved that the board approve the proposed rate schedule for residence halls effective June 1, 1987; approve the proposed rate schedule for family/single student apartment housing effective July 1, 1987; and accept the preliminary residence system budget for 1987-88 subject to further review and action when university operating budgets are approved for 1987-88. Regent VanGilst seconded the motion, and it carried unanimously.

**WOI-TV REORGANIZATION.** The Board Office recommended that the board approve the following recommendations:

1. Approve a resolution for the reorganization of WOI-TV.

2. Direct the university to return to the board at its April meeting with recommendations for directors of the Iowa State University Broadcasting Corporation.
3. Direct the university to report to the board on the disposition of assets distributed to the corporation in accordance with the resolution adopted by the board.
4. Direct the university to annually report to the board on the status of the new corporation including its financial and educational contributions to Iowa State University.
5. Direct that after three years of operation the corporation and Iowa State University prepare a comprehensive report of the financial and educational results of the corporation as compared to the industry standards and expectations in the WOI-TV Executive Study Committee and provide the board recommendations as to the merit of the corporation's continued existence.

In December the board received the report of the Executive Study Committee on WOI-TV and approved the creation of an affiliated organization for the management and operation of WOI-TV. The board directed that the university proceed, in consultation with the Board Office, to prepare the necessary enabling documents and organizational plans for consideration and action by the board.

The enabling documents and organizational plans to establish the Iowa State University Broadcasting Corporation were to be prepared so as to meet the objectives adopted by the board at the December 17, 1986, meeting. Those objectives are summarized below:

Board of Regents Actions Regarding WOI-TV  
December 17, 1986

- o Approved recommendations to create an affiliated organization for the management and operation of WOI-TV.
- o Directed that the disposition of assets of WOI-TV and the continued existence of the affiliated organization be subject to the Board of Regents consent.
- o Directed that the board of directors for the affiliated organization have the responsibility for directing the operations and hiring personnel at WOI-TV and that they be appointed by the university president with the consent of the Board of Regents.
- o Directed that the most critical educational contributions of the station be accommodated and the establishment of a means of

coordinating the commercial interests of the station with the educational interests of the university be provided in documents establishing the affiliated organization.

- o Directed that the university prepare the necessary legal documents and detailed organizational plans to execute the actions approved by the board on December 17, 1986 and to submit these documents and plans to the board for its consideration and approval.

Documents establishing the Iowa State University Broadcasting Corporation were prepared on behalf of the university by the law firm of Davis, Hockenberry, Wine, Brown, Koehn and Shors. The selection of this firm was done with the approval of the Attorney General's Office and the Executive Council. John Shors was the senior partner principally responsible for the preparation of the documents. Mr. Shors was requested to attend the Board of Regents meeting to give an overview of the documents and to answer questions from the board.

The most critical control which the Board of Regents had over the proposed broadcasting corporation was to approve directors and be able to remove the entire board of directors and dissolve the corporation. The university proposed that there be seven directors although nine were authorized in the Articles of Incorporation. In preliminary discussions it was concluded that no more than three would be affiliated with the university. Subject to the board's approval of the Articles of Incorporation and Bylaws, President Eaton was expected to return to the board at its April meeting with recommendations for the seven initial members of the corporation's board of directors.

The resolution approving the establishment of the Iowa State University Broadcasting Corporation authorizes the university president, after consultation with the Executive Secretary and with the approval of the Board President, to convey assets to the new corporation. The assets could be transferred, sold, or leased to the corporation. Real property could only be leased. Assets necessary to operate WOI radio stations were not being transferred.

The physical assets of WOI-TV included the broadcasting building, tall tower facility and equipment. The university reported the original cost and net value of these assets. The table shown below summarizes the physical asset inventory.

WOI-TV Physical Assets

	<u>Original Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Value</u>
Building	\$1,205,632	( 536,801)	\$ 668,831
Tall Tower	592,418	( 407,108)	185,310
Equipment	3,051,136	(1,234,263)	1,816,872

Tax consequences for the corporation and Iowa State University and the needs of the new corporation to effectively begin operations were to be the primary factors determining how assets should be transferred. These decisions would involve additional consultation with the Davis law firm and the public accounting firm of Deloitte, Haskins and Sells before they could be made in the best financial interest of Iowa State University.

Personnel actions required as the result of this reorganization could be practically accomplished until the corporation board of directors was appointed. The university proposed that the board of directors should be responsible for establishing the hiring and compensation policies of the corporation. The university reported that at the time the operation of the television station was assumed by the new entity it would initiate the procedures required to eliminate those positions which would no longer be needed by the university. Displaced employees would be accorded their rights and benefits under the university's established personnel policies and labor contracts.

The board was requested to approve a "Resolution for the Reorganization of WOI-TV". The resolution had the following provisions:

WHEREAS, at its December 19, 1985 meeting, the Board of Regents of the State of Iowa (hereinafter the "Regents") directed the Iowa State University of Science and Technology (hereinafter "Iowa State University") to conduct a comprehensive study of the value and role of WOI-TV; and

WHEREAS, Iowa State University conducted said study and reported the results to the Regents at the Board's December 17, 1986 meeting; and

WHEREAS, at its December 17, 1986 meeting, the Regents received the report of the Iowa State University WOI Executive Study Committee and directed that a separate organization be formed to manage and operate WOI-TV; and

WHEREAS, the Regents have reviewed and have approved the Articles of Incorporation, Bylaws and Memorandum of Understanding recommended by Iowa State University for the creation and governance of the Iowa State University Broadcasting Corporation (which documents are

available in the Board Office) and incorporated herein by this reference; and

WHEREAS, the Regents are now desirous of exploring the formation of an Iowa State University holding company to control the Iowa State University Broadcasting Corporation.

NOW, THEREFORE, BE IT RESOLVED that the President of Iowa State University be authorized, upon consultation with the Executive Secretary and approval of the President of the State Board of Regents and in accordance with the actions taken by the Board of Regents at its meeting of December 17, 1986, to develop the most advantageous organizational structure for the Iowa State University Broadcasting Corporation; said structure to be either a not-for-profit holding company controlled by Iowa State University, which holding company shall own 100% of the stock of the Iowa State University Broadcasting Corporation, a for-profit corporation, or a single, not-for-profit corporation governed by the documents here presented to the State Board of Regents.

BE IT FURTHER RESOLVED that the Memorandum of Understanding (which is also available in the Board Office) incorporated herein by this reference, be executed by the Iowa State University Broadcasting Corporation and by Iowa State University.

BE IT FURTHER RESOLVED that the President of Iowa State University be authorized, upon consultation with the Executive Secretary and receipt of the approval of the President of the State Board of Regents, and in accordance with the actions taken by the Board of Regents at its meeting of December 17, 1986, to take all further action necessary or desirable to form either or both of the corporations contemplated by this resolution and to transfer, sell and/or lease the personal property currently used by WOI-TV to the new corporation and to lease the real property currently used by WOI-TV to the new corporation in accordance with the intent of this resolution.

The Iowa State University Broadcasting Corporation would be accountable to the Board of Regents to demonstrate financial and educational contributions to Iowa State University. Therefore, the Board Office recommended that annual reports be given to the board on the success of the corporation. Following three years a comprehensive evaluation of the financial success of the corporation was recommended. The results of that evaluation by the board would determine the future of the corporation.

Vice President Madden stated Regent Duchon along with other board members had raised questions about the proposed organization and changes to the university's original recommendation which were under consideration. He stated they had been working since December on an implementation plan with outside legal counsel and an accounting service. He stated the implementation plan which was presented would create a new corporation that

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would operate WOI Television to meet financial objectives outlined earlier to the board. If the recommended changes were approved they would bring back at the next meeting in April the actual file copies of the documents that would establish a holding company which would in turn be responsible for the WOI-TV operating corporation.

Vice-President Madden stated the goal would be to transfer assets and to have the station separated under a new organization structure as quickly as possible. He stated it would be July 1 before all details were worked out to comply with appropriate Board of Regents personnel policies. This would be the framework under which they would move ahead.

Vice-President Madden stated Regent Duchen had raised the question that there might be a better arrangement than a holding company. He stated the Articles of Incorporation and the Memorandum of Understanding would be substantially implemented as outlined. Necessary changes would be made because of the holding company structure and presented to the board in April. He said he believed the new structure would meet the financial objectives and allow the transfer of the broadcasting license.

Regent Tyler stated the board should be appreciative of the fact that Regent Duchen had examined the structure as closely as he had.

Regent Duchen stated it should be made very clear that an accounting of the contributions of the corporation's development which went for educational purposes should be shown in the operating statement. He said the board does not want to be faced with a taxation problem and as Regents they should keep that in mind. He stated there should be some pass-throughs to the university to minimize the taxable obligations.

**MOTION:** Regent Tyler moved that the board approve the Board Office recommendations for the WOI-TV reorganization. Regent Duchen seconded the motion, and it carried unanimously.

**RECREATION/ATHLETIC FACILITY.** The Board Office recommended that the board authorize the university to proceed with planning for the proposed Recreation/Athletic Facility, and authorize the Board Office and the university to seek appropriate legislative authorization for the board to issue up to \$15,700,000 in revenue bonds that would be supported from special student fees and Athletic Department revenues, and to take these actions in consultation with the Board President.

The university previously reported to the board the need for additional indoor recreation space. The use of recreation facilities increased 150 percent over the last decade. The university cited national standards that indicated Iowa State University had less than one-half of the recreation space required to adequately accommodate its student body. The student government supported the need for additional indoor recreation space.

Vice President Madden stated as an initial effort to address the need for additional recreation space, a special student activity fee of \$7.50 per student year was established in May 1985. The special student fee was for the purpose of conducting a feasibility study for a combined facility to be used for recreation and athletics. The firm of Bussard/Dikis Associates was retained to assist in the planning for the project.

Vice President Madden further stated that in April 1986 the university reported on the results of a student referendum on a combined recreation/athletic facility. That proposal located the facility south and west of the central campus. The referendum indicated just under one-half of those voting were in favor of the facility. Only one-third of the student body voted. Several concerns were identified as a result of the unsuccessful referendum and planning continued to seek alternatives for solving the recreational space needs. Among the alternatives considered were construction of an addition to Beyer Hall for recreational use and erecting a bubble structure over the existing football stadium.

A planning committee comprised of students and university staff members determined that a combined facility located east of the Physical Education Building near the university power plant was a preferred alternative. The university planning committee provided an opportunity for student input and considered student concerns regarding the planned use and location of the facility.

The university pointed out the advantages of a combined recreation and athletics facility. The shared use of a building by recreation and intercollegiate athletics would result in more space for both groups. In addition, the facility would be more efficiently utilized.

The university sought the board's authorization to proceed with planning for a combined recreation/athletic facility. The facility would be located on the site east of the Physical Education Building and consisted of 166,000 net assignable square feet. The structure would have a gross area of 208,000 square feet. The estimated project budget totals \$13,500,000, with \$10,200,000 in construction costs.

In order to finance the \$13.5 million project, \$15.7 million in bonds would need to be issued. The additional bond proceeds would be needed to capitalize interest payable during construction and form an adequate bond reserve fund. Preliminary assumptions prepared by Springsted Inc., the board's financial advisor, were that the bonds would be issued in January 1988, the facility would become operational in September 1989, and first payment of bond principal would commence in July 1990. Bond principal would be amortized using level debt service through the life of the 20 year bonds. Springsted, Inc., indicated that required annual debt service and reserve contribution for the Recreation/Athletic Facility would average \$1,700,000 per year.

The project would be financed by a combination of student activity recreation fees and revenue from intercollegiate athletics. Student activity fees were a part of the tuition approved by the board. Student activity fees were allocated by the university from tuition income for support of student organizations and activities. Annually the student activity fee portion of tuition is recommended to the board by the university after consulting with student organizations.

The proportion of the project financing to be paid from student activity fees was based on space assignment and projected utilization within the proposed facility. The recreation fee would finance 69 percent of the project and intercollegiate athletics would finance the remaining 31 percent.

Springsted, Inc. estimated that the student-funded portion of the project would require a student fee of \$15.25 per semester. The current per semester student fee is \$10.50, which generates approximately \$605,000 in annual income. The remaining balance of the debt service for the facility would be met by the Athletic Department revenues from fund raising contributions, ticket sales and television receipts.

The university financing plan was based on the premise that future student fee increases would be at least 5 percent annually and that one-half of those future student fee increases would be designated for debt service on the bonds for this facility. These fees were part of overall tuition income and were subject to board review and action. The fee income was determined assuming enrollment of 28,000 students. Anticipated enrollment decline should be considered in calculating the future funds available from student fees.

The university requested that the board seek legislative authorization during the current legislative session for issuance of bonds for the Recreation/Athletic Facility. The General Assembly last year adopted legislation that eliminated the board's authority to issue self-liquidating facility revenue bonds without specific approval of the Governor and General Assembly.

The appropriate legislative authorization could be obtained through two possible courses of actions. First, a bonding resolution could be prepared seeking legislative approval authorizing the Board of Regents to issue bonds for the Iowa State University recreation/athletic facility. The other alternative was to seek a legislative change in the statute restoring the board's authority to approve the issuance of self liquidating revenue bonds necessary for facilities essential to the comfort, convenience and welfare of the students. The necessary statute change was part of the Regents legislative program. Both alternatives would be pursued with emphasis on eliminating the unnecessarily restrictive language in the statute. The Board Office would work with the board president, the university and legislative liaisons on the appropriate course of action if these recommendations were approved by the board.

Total operating costs for the proposed recreation facility were estimated to be \$300,000 a year. Based on the planned 69 percent use of the building by recreational, the general fund share of the operating costs would be \$207,000.

The financing plan outlined by the university appeared to be feasible; however, some issues needed to be developed further. The Board Office and university would work with the board's financial advisor and bond counsel in refining the financing plan proposed by Iowa State University.

The Board Office recommended that the university be authorized to proceed with planning for the proposed Recreation/Athletic Facility. The Board Office further recommended that appropriate authorization be sought from the General Assembly to issue self-liquidating facility revenue bonds to support the Recreation/Athletic Facility.

Vice President Madden stated that for about a decade Iowa State University has been studying and talking about the need to expand the recreation space. He said the proposed facility was approximately two-thirds recreation and one-third practice facility. With regard to financing, he stated interest rates have dropped and the facility could be financed at a lower cost than one year ago. He stated they are working with the students on campus to develop a financing plan that would not increase student fees, and would bring budgets to the board in the spring. He stated the facility was designed to be a recreation and practice facility for the university only and not for the Ames community. He said they were not going to sell memberships. He said they were excited about moving ahead and were asking authorization from the board to proceed.

Vice President Madden introduced Ken Bussard of Bussard/Dikis, the architects for the project, to give an overview of the project to the board. Mr. Bussard stated this was a very interesting project, especially being able to get the students involved. Mr. Allan Oberlander of Bussard/Dikis proceeded to show a slide presentation of the design plans for the building and to answer questions from the board members.

Regent Harris asked if there would be privacy at the new facility for the football team during their practice sessions. Mr. Oberlander stated they had worked with Max Urich to insure adequate open space for football practice although they preferred to practice outdoors whenever possible.

Vice President Madden stated that a memorandum of understanding between administration and the students had been worked out. The facility would be limited to not more than four hours per day as a practice facility and the remainder of the time would be available for the use of students. He said partitions could be easily moved and would be able to ensure privacy for football and basketball practice sessions. He said he did not see a real conflict with practice sessions in the facility.

Brian Kennedy, a student at Iowa State University, stated the student government had endorsed the new facility by a vote of 29 to 2, and that the students had willingly supported it. He said financing could be worked out in the current fee schedule. He stated the location is much better than that proposed a year ago. He said a memo of mutual understanding between the university administration and the student body had been drawn up which would insure student participation. He encouraged the board to support the proposal.

Regent Duchen asked about student fees being allocated to this project. Vice President Madden stated that if student fees were committed to this project, they would not do something else with them. The student government makes the recommendation as to where the fees are to go. That would mean they would be unable to support other kinds of student activities at the level they may wish, but said choices must be balanced and the committee felt this was an important project. He said the current plan did not diminish anything they are currently doing. They were not cutting out any current project.

Regent VanEkeren felt there needed to be some education done on where the funds would come from on this project.

**MOTION:**

Regent Harris moved that the board authorize the university to proceed with planning for the proposed Recreation/Athletic Facility, and to authorize the Board Office and the university to seek appropriate legislative authorization for the Board to issue up to \$15,700,000 in revenue bonds that would be supported from special student fees and Athletic Department revenues. Regent VanEkeren seconded the motion, and it carried unanimously.

**RATIFICATION OF ACTIONS IN REGISTER OF PERSONNEL CHANGES FOR FEBRUARY 1987.**

The register for the month of February 1987 was approved as part of the consent docket.

**ACCEPTANCE OF CONSULTING REPORT.** The Board Office recommended that the board receive the report on consulting at Iowa State University.

As required in Section 6.18 of the Procedural Guide, Iowa State University submitted its biennial consulting report. Iowa State University's policy on outside consulting by members of the faculty noted that members of the staff were often asked to give advice or counsel to private agencies or individuals and sometimes they were invited to do so on a continuing basis for pay under arrangements commonly referred to as "consulting." A staff member at Iowa State University could undertake consulting work only after the proposed work had been mutually agreed to by both the staff member and the department head

or chair. Staff members are required to report annually through their department executive officer to the dean of their college the amount of time they have spent on "consulting" or other professional work for which compensation had been received from other than university sources. The nature of the services performed and the source of the outside remuneration should be indicated in the reports. There was an understanding that consulting would not exceed an average of two working days per month and consulting activity would not be concentrated in one or two months of the year.

At Iowa State University, 374 faculty members reported consulting in 1984-85 and 400 in 1985-86. In 1984-85, 2,388 consulting days were requested and in 1985-86, 2,372 were requested. The university's report, which consists of a breakdown of consulting by faculty in each college and department, includes the number of days of consulting for each. As might be expected at Iowa State University, the largest total number of days of consulting was reported in the Colleges of Engineering and Agriculture.

The university indicated that consulting work on the part of Iowa State University faculty had been used as a vehicle to enhance and enrich faculty members' teaching, research, and scholarship programs. These services rendered by faculty represented professional services in practice, research, and instruction for public entities (i.e., schools, hospitals, education agencies, governmental agencies, etc.) as well as for private clients. The university indicated that this experience contributed greatly to the enhancement of educational quality. In addition, Iowa industry and businesses were beneficiaries of expert advice which promoted the economic development of the state.

Vice President Christensen stated the program had been going very well and believe it would continue to do so.

**MOTION:** Regent Greig moved that the board receive the report on consulting at Iowa State University. Regent Anderson seconded the motion, and it passed unanimously.

**APPOINTMENT.** President Eaton distributed a supplemental exhibit to the docket requesting the approval of the appointment of Beverly J. Crabtree as Dean of the College of Home Economics and Professor of Home Economics Education, effective July 1, 1987, at an annual salary of \$82,500.

Regent Anderson stated this could be an opportune time to change the name of the College of Home Economics. Vice President Christensen said they had talked about this with Ms. Crabtree. President Eaton stated they were working on the name change and would be coming to the board in April with a proposal.

**MOTION:** Regent VanGilst moved that the board approve the appointment of Beverly J. Crabtree as Dean of the College of Home Economics and Professor of Home Economics Education, effective July 1, 1987, at an annual salary of \$82,500. Regent Anderson seconded the motion, and it passed unanimously.

**REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS FOR THE PERIOD OF FEBRUARY 20, 1987, THROUGH MARCH 12, 1987.** The Board Office recommended the board approve the capital register.

Highlights of the register are as follows:

**PROJECT DESCRIPTIONS AND BUDGETS:**

Science Hall--Remodeling for Laboratories \$550,000  
Source of Funds: Building Repair Fund or Income  
from Treasurer's Temporary Investments

This project involves remodeling approximately 8,000 square feet of laboratory space in the Science Building. The project would upgrade facilities to modern research standards and would assist in recruitment of new replacement faculty in the Microbiology Department.

Design services would be negotiated with the consultant. Construction would be contracted through public bidding.

Recreation/Athletic Facility \$13,500,000  
Source of Funds: Proposed Self-Liquidating Revenue Bonds

This project involves construction of a 200,000 gross square foot facility. The project would provide needed indoor activity space for student recreation and intercollegiate athletics. The proposed financing would be through issuance of approximately \$15.7 million in self-liquidating revenue bonds. The revenue bonds would be paid off from projected student activity recreation fees and Intercollegiate Athletic revenues. The university expected that 69 percent of the project would be financed from special student activity fees and 31 percent from Intercollegiate Athletic funds. The estimated cost of the facility was \$13,500,000.

The university requested permission to proceed with the project planning. In addition, the university requested that appropriate legislative authorization be sought to issue revenue bonds supported from special student fees and Athletic Department revenues.

The university requested approval of the selection of Bussard/Dikis Associates, Ltd., of Des Moines, to provide architectural and engineering

services for the project. An agreement had been negotiated that covered design development and the construction phases. Schematic design services were provided under a previous agreement that was approved by the board in March 1985. The agreement was for basic services of \$642,000. The maximum amount payable for reimbursable expenses was \$50,000.

The university also requested approval of an agreement with Engineering Plus of Ames, Iowa, to provide engineering service for the tennis court work, which was a portion of this project. Compensation was based on an hourly rate with a fixed maximum of \$24,400, including reimbursables.

The university reported that an agreement for cost consulting services was being negotiated with John Hart, Inc., of Des Moines, Iowa. That agreement would be reported to the board in April upon completion of negotiations.

Utilities--Wallace Wilson Boiler Replacement \$300,000  
Source of Funds: Dormitory System Surplus

A construction contract on this project was presented for action by the board.

CONSULTANT AGREEMENTS:

The university presented two consultant agreements for approval by the board, including the architectural services agreement for the Recreation/Athletic Facility discussed previously.

Utilities--Replace Steam Generators No. 1 & 2 \$60,000  
SEGA, Stanley, Kansas  
(Engineering Services)

This agreement involved design of a breaching interconnection between the old coal-fired boilers and the new fluidized bed boiler at the university heating plant. The interconnection would allow all stack gases to be routed to the new chimney, which was being installed as part of the fluidized bed boiler project. The breaching interconnection was a requirement imposed by the Environmental Protection Agency.

The university reviewed proposals that were received from two other engineering firms.

Compensation for Segal was based on a multiple of direct personal expenses with a fixed maximum of \$60,000. Source of funds for the contract was Utility System Revenue Bonds, Series I.S.U. 1985.

Recreation/Athletic Facility \$692,000  
Bussard/Dikis Associates, Des Moines, Iowa  
(Architectural Services)

This architectural agreement related to the Recreation/Athletic Facility project described previously in this section of the minutes.

Recreation/Athletic Facility \$24,400  
Engineering Plus, Ames, Iowa  
(Engineering Services)

This engineering agreement related to the Recreation/Athletic Facility project described previously in this section of the minutes.

CONSTRUCTION CONTRACTS:

Utilities--Wallace Wilson Boiler Replacement \$221,345  
Capital City Boiler and Machine Works, Inc., Des Moines, Iowa

On February 10, 1987, bids were opened for replacement boilers in the Wallace Wilson Residence Hall Complex. Three bids were received. One bidder, ACI Mechanical Corporation of Ames, Iowa, based its price on installing a boiler manufactured by a firm not on the approved manufacturers list contained in the contract specifications. The bidder had not obtained permission for substitution of materials or equipment as spelled out in procedures in Article 10 of the instructions to the bidders. Further, the boiler manufacturer bid did not meet the efficiency standards as specified in the contract documents. The boiler was determined not to be equal to the four boiler manufacturers identified in the specifications. Therefore, the bid was not responsive and should be rejected.

A second bidder, Pleva Plumbing & Heating, did not submit forms specifying the use of identified Targeted Small Businesses as required in the contract documents. The bid was not read in accordance with Regents' procedures. Therefore, only one responsive bid was received for the project. The sole bid was from Capital City Boiler & Machine Works, Inc. Capital City's bid was within budget and was based on a boiler specified in the approved manufacturers list.

The Board Office concurred in the university's request that the contract be awarded to Capital City Boiler despite the receipt of only one responsive bid. The price as indicated was within the project budget and was within the estimate prepared by the consulting engineering firm. Award of the contract at this time would permit the project to proceed without delay.

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS:

The university reported completion of a construction contract on one project, Printing & Publications--Roof Replacement. Inspection of the work on the contract found that the contractor complied with the plans and specifications. The university recommended that the work be accepted as complete.

MOTION:

Regent Harris moved that the Register of Capital Improvement Business Transactions for the period of February 20, 1987, through March 12, 1987, be approved by the board. Regent Murphy seconded the motion, and upon the roll being called the following voted:  
AYE: Anderson, Duchon, Greig, Harris, McDonald, Murphy, Tyler, VanEkeren, VanGilst.  
NAY: None.  
ABSENT: None.

**APPROVAL OF MEMORANDUM OF UNDERSTANDING WITH COMMITTEE FOR AGRICULTURAL DEVELOPMENT.** The Board Office recommended that the board approve a Memorandum of Understanding with the COMMITTEE FOR AGRICULTURAL DEVELOPMENT (CAD) for a period of one year commencing March 1, 1987, and ending February 29, 1988, with automatic continuance unless terminated by either party on ninety days' written notice, for the purpose of formalizing an established working relationship between CAD and the university, and leasing farm land to the university at rates determined by the university and CAD and approved by the board's executive secretary.

The COMMITTEE FOR AGRICULTURAL DEVELOPMENT (CAD) is an affiliated organization of the university established to promote the general welfare of agriculture using scientific and educational methods. For some time there had existed a working relationship between the university and CAD in producing, conditioning, and distributing germ plasma and foundation seed, in providing support for the university in the form of grants and other gifts, and in providing land for use by agricultural experiment station programs. State and independent auditors have recommended that this relationship be formalized. The university sought approval of this Memorandum of Understanding for that purpose.

The Memorandum provided that CAD would assist the university by --

1. producing, conditioning, and distributing improved germ plasma and foundation seed of improved cultivars;
2. acquiring, operating, or leasing agricultural land to support agricultural research; and

3. providing grants-in-aid and gifts of money, supplies, and equipment in support of specific research projects.

The Memorandum provided that the university would provide to CAD --

1. seeds from cultivars or varieties that are qualified for release, at the university's cost;
2. lease payments for farm lands which the university agreed to lease from CAD at rents identified by the parties, said rents not to exceed 8 percent of the average value of farmland for the previous year in the respective county(ies) as established by the Iowa Land Value Survey conducted by the university's Economics Department, except that for tracts less than forty acres the university shall pay a premium of not more than 25 percent of the agreed rent.

There were presently thirteen tracts available to the university for this purpose. They ranged in size from 30 acres to 548 acres, more or less. By the Memorandum CAD agreed that it might purchase additional tracts and make them available to the university if the university so desired. Payment of the leases would be made from agricultural experiment station research funds.

While there was a formula approach to establishing the rents CAD would receive from the university for the university's use of any tracts of land, it was believed by the Board Office that the board's oversight responsibility for approving leases for land by the institutions would best be served if the university annually reported to the board's executive secretary what rents were proposed. Reporting was particularly important considering that there was no termination date on the Memorandum which established the leases. Over time, the board's only notice of this continuing relationship would be through the annual report of the affiliated organization, CAD, unless the parties sought to modify the Memorandum.

MOTION:

Regent VanGilst moved that the board approve the Memorandum of Understanding with the COMMITTEE FOR AGRICULTURAL DEVELOPMENT for a period of one year commencing March 1, 1987, and ending February 29, 1988, with automatic continuance unless terminated by either party on ninety day's written notice for the purpose of formalizing an established working relationship between CAD and the university, and leasing farm land to the university at rates determined by the university and CAD and approved by the board's executive secretary. Regent Anderson seconded the motion, and upon the

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roll being called the following voted: AYE:  
Anderson, Duchon, Greig, Harris, McDonald,  
Murphy, Tyler, VanEkeren, VanGilst.  
NAY: None.  
ABSENT: None.

President McDonald asked board members and institutional executives if there were additional matters to be discussed 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 and Thursday, March 11-12, 1987.

### **CONTINUED SUSPENSION OF THE PARIETAL RULE AT THE UNIVERSITY OF NORTHERN IOWA.**

The Board Office recommended that the Board of Regents approve suspension of the parietal rule for the University of Northern Iowa for 1987-88 through 1989-90, approve the submission of a Notice of Intended Action, and schedule a public hearing to provide opportunity for public comment to precede any reinforcement of the parietal rule.

The parietal rule requires all unmarried freshman and sophomore students at the University of Northern Iowa to reside in university dormitories, fraternities, or sororities. The University of Northern Iowa requested that the parietal rule be suspended for 1987-88 through 1989-90.

In March 1985, the board approved continued suspension of the parietal rule for freshmen and sophomores (begun in June 1979) for two years through May 1987. The University of Northern Iowa requested suspension of the parietal rule for freshmen and sophomores through May 1990. This action appeared reasonable given the status of the UNI residence hall educational program, which was reported by the university to be of high quality. The response of freshmen and sophomores to the residence programs was reflected in the relatively constant occupancy of lower division students (60.81 percent in the fall of 1984, 62.39 percent in fall of 1985, and 63.20 percent in the fall of 1986), as well as by the total occupancy level (exceeding 100 percent of Minimum Design Capacity) experienced in 1985 and estimated for the next 10 years.

In September 1984, the board adopted the following recommendation from the Administrative Rules Committee with respect to the renewed suspension of the parietal rule at the University of Iowa, which also seemed appropriate at this time.

The board will publish notice before any enforcement of the parietal rule. A public hearing will be scheduled no less than 20 days after the published notice. A record of all written and oral statements made at the public hearing will be presented to the Board of Regents prior to enforcement of the parietal rule.

Suspension of the parietal rule would be for three years commencing with academic year 1987-88 and continuing through 1989-90.

**PRELIMINARY BUDGET ESTIMATES AND PROPOSED RESIDENCE SYSTEM ROOM, BOARD AND APARTMENT HOUSING RATES, 1987-88.** The Board Office recommended the board approve the proposed rate schedule for residence halls contracts effective with the Fall semester, 1987; approve the proposed rate schedule for apartment housing contracts effective July 1, 1987; and accept the preliminary residence system budget for 1987-88, subject to further review and action when the university operating budgets are approved for 1987-88.

The University of Northern Iowa proposed a dormitory rate for a double occupancy room with full board of \$2,018 per occupant, an increase of \$68 or 3.5 percent over 1986-87. No increases were proposed in apartment housing rates.

The basic dormitory rates for single students in double occupancy units with 20 meal contracts over the past five years are shown below:

<u>Year</u>	<u>Rate</u>	<u>Change</u>
1983-84	\$1,700	3.7 %
1984-85	1,804	6.1
1985-86	1,894	5.0
1986-87	1,950	3.0
1987-88 (Proposed)	2,018	3.5

The proposed rates included increases of 3.4 percent in the annual room rate for double occupancy and 3.5 percent in the annual board rate for 20 meals per week. The basic rate for double occupancy at the University of Northern Iowa remained slightly below comparable rates the University of Iowa and Iowa State University. The rate proposed for single occupancy with a 20 meal board contract was \$2,468, an increase of \$68 or 2.8 percent over 1986-87.

The university also proposed rates for several partial board options, for room only options in Bartlett Hall and for the summer session. An \$8 Residence Hall Activity Fee was added to each of the academic year rates.

The university recommended that monthly rates for apartment housing be held constant for the third year in a row. These rates range from \$146 to \$220 per month. The university reported previously that vacancy rates in the community remain high. A number of actions have been taken to strengthen and

maintain occupancy in the university apartments but occupancy still declined by 26 units between 1985-86 and 1986-87. With no increase in rates the university projected stable occupancy in 1987-88.

The university reported a revised estimate of its residence system budget for 1986-87 reflecting a decrease of \$125,000 in revenues compared to the original approved budget. A decrease of \$52,000 was reported in expenditures resulting in a net decrease of \$73,000 available for voluntary reserves. The revised budget provides \$1.0 million to the voluntary reserves.

The university proposed a preliminary residence system budget for 1987-88 of \$11,336,971. This budget would include \$9,367,510 in expenditures for operations, with the remainder for debt service, reserves and university overhead payments. It would represent a 1.9 percent increase in revenues and a 4.0 percent increase in operating expenditures in comparison with the revised budget estimates for this year.

Budgeted expenditure increases for 1987-88 over the revised estimates for 1986-87 are shown below by expenditure category:

<u>Expenditure Category</u>	<u>Proposed Change 1987-88 Over 1986-87</u>
Salaries, Wages and Benefits	4.9 %
Cost of Food or Goods Sold	3.0
Repairs and Maintenance	3.4
Utilities	3.0
Other Operating Expense	3.0
 TOTAL OPERATING EXPENDITURES	 4.0 %

Total revenues were projected to increase by 1.9 percent. An overall increase of 3.9 percent was projected in contract income (room, board and apartment rents). Decreases were anticipated in interest income and other income. Other income included income from conferences, vending commissions, damage checks, etc.

The bond resolutions require that the ratio of net operating income to debt service due must exceed 1.5 before any additional bonds are issued. This ratio has been well above the required level and is projected to be 2.5 for 1987-88.

The proposed residence system budget for 1987-88 appeared to be based on reasonable projections of revenues and expenditures. The rates proposed for residence halls and apartment housing units appear to be sufficient to generate adequate revenues to cover expenditures for operations, debt service, mandatory transfers, university overhead, repair and renovation of the physical plant and a more than adequate level of voluntary reserves.

Vice President Follon of the University of Northern Iowa stated they were very fortunate to have good management on the house staff. She said she was extremely pleased that after considerable work they have been able to keep the rates as low as possible. The University of Northern Iowa proposed a dormitory rate increase of 3.5 percent with no increases proposed in apartment housing rates.

Clark Elmer, Director of Residence at the University of Northern Iowa, stated they continued this past year to provide high quality housing and dining to residents through the efforts of qualified professional staff, training programs for staff and management, and good maintenance of physical facilities. He said the university had brought two full-time staff members and two students to the meeting. He introduced Julaine Kiehn, Unit Manager of the Towers Dining Complex. Ms. Kiehn stated their two main objectives were to provide quality food service and management, and to focus on the students, thinking that the student is a guest. They should put the students first and strive to meet their needs and give them the little extras. She said they attempted to find out what the students like and where they could make improvements. They try to get the students involved. She said they have taste panels and diners groups, which consist of members of the food service management team who meet with student representatives. They try to get the students involved with the planning of special events.

Robert Hartman, Associate Director of Residential Housing at the University of Northern Iowa, stated there are nine professional staff members who are academic advisors and they provide help to the students coming to the university. They are responsible for the administration, programs and activities, staff selection, and training and supervision in the halls. He said they were also opening a new computer student service center. He stated that noise was one of the most frequently cited problems with residence hall living. In response to this problem Quiet Lifestyle Houses were established in the Fall of 1982 for approximately 250 students in six residence halls. Now there are approximately 400 students in seven residence halls. They are committed to making it a quiet place to live. If the students indicate an interest for more rooms in this program, the university would open up more space to accommodate them. He said they have an excellent staff to help with accomplishing the goals.

Kevin Saville, a student, stated it was very difficult to explain what community atmosphere was in residence halls because it was intangible and hard to measure. He said it is feeling that you are in a family type atmosphere, but there were a number of differences. There is a strong sense of community. Students learn to respect each other. They become more responsible for their own behavior. He said the students are well adjusted and felt comfortable with their environment. Resident assistants have an important part in maintaining the community atmosphere. He stated when students move into a hall it is important that the resident assistants have a one on one contact with the students. This was very helpful for developing interaction among students. After the groundwork has been laid it is

important for the resident assistants to work to maintain the atmosphere. They can become role models. They need to advise students and encourage them.

Student Lisa Suchomel stated the departmental newsletter called Programming was in its second year and was distributed to student leaders, residence hall and dining center professional staff and resident assistants. She said the newsletter offered programming and leadership tips, news of programs done by students across campus, and miscellaneous tidbits related to the promotion of programming in the residence halls and dining centers. Over 400 programs offered by student and staff over the course of the year were described in the eight issues published in 1985-86. She believed if the newsletter helped one student it would be a success.

**MOTION:**

Regent Murphy moved that the board approve suspension of the parietal rule for the University of Northern Iowa for 1987-88 through 1989-90, approve the submission of a Notice of Intended Action, and schedule a public hearing to provide opportunity for public comment to precede any reinforcement of the parietal rule. She also moved that the board approve the proposed rate schedule for residence halls contracts effective with the Fall semester, 1987; approve the proposed rate schedule for apartment housing contracts effective July 1, 1987, and accept the preliminary residence system budget for 1987-88, subject to further review and action when the university operating budgets are approved for 1987-88. Regent Anderson seconded the motion, and it carried unanimously.

**REGISTER OF PERSONNEL CHANGES.** The register for the month of February 1987 was approved as part of the consent docket.

**FACULTY PROMOTION AND TENURE RECOMMENDATIONS, 1987-88.** The Board Office recommended that the board approve the faculty promotion and tenure recommendations at the University of Northern Iowa.

As requested by the Board of Regents, the University of Northern Iowa submitted its faculty promotion and tenure recommendations. The request was for 26 promotions, including the promotion of seven persons to the rank of professor, 11 persons to the rank of associate professor, six persons to the rank of assistant professor, and two persons to the rank of instructor. Five of the associate professors were being promoted with tenure. All but one of the persons being promoted to full professor already had tenure. Seven of

the persons being promoted for associate professor already had tenure. There were 19 males and seven females being recommended for promotion.

**MOTION:** Regent VanGilst moved that the board approve the faculty promotion and tenure recommendations at the University of Northern Iowa. Regent Anderson seconded the motion, and it carried unanimously.

**FACULTY CONSULTING REPORT.** The Board Office recommended that the board receive the faculty consulting report from the University of Northern Iowa.

Section 6.18 of the Procedural Guide requires that each Regent university submit a biennial faculty consulting report. The general policy of the University of Northern Iowa does not require formal approval for outside consultation or other off-campus professional activities as long as they do not interfere with the faculty members' duties as full-time faculty members. The university's policy notes that leaves for the purpose of consulting or for professional activities for which remuneration is received may average no more than one (1) day per week during the academic term.

The university reported that 290 faculty were paid consultants between July 1, 1984 and June 30, 1986 for a total of 2,570.5 consulting days. The college with the largest number of faculty undertaking paid consulting was in the College of Education (123) while the highest number of days of consulting was 1160 in the School of Business. It should be noted that the University of Northern Iowa figures were for two years which represented about half the consulting days of Iowa State University and the University of Iowa for a single year.

The university reported that its current policies seemed to be quite satisfactory. Reports from department heads and deans indicated that problems were rare.

The University of Northern Iowa has a long history of providing free consultant services to public schools and related agencies. These activities were not covered in this report, which covers only paid consulting. The university also indicated that it anticipated a greater demand for consultation services from its faculty in the School of Business because the university was attracting well-qualified faculty with business experience in research and consulting backgrounds.

In conclusion, the university indicated that it was convinced that faculty consulting activities were not only an important form of public professional service, but could contribute significantly to the economic development of the community and the state.

Vice President Martin stated they are convinced that faculty consulting activities were not only an important form of public professional service,

but could contribute significantly to economic development in the community and the state.

MOTION: Regent VanEkeren moved that the board receive the consulting report from the University of Northern Iowa. Regent VanGilst seconded the motion, and it carried unanimously.

**REGISTER OF CAPITAL IMPROVEMENT TRANSACTIONS FOR THE PERIOD OF FEBRUARY 1, 1987 THROUGH FEBRUARY 24, 1987.** The Board Office recommended that the board approve the capital register.

Associate Director Runner stated the capital register for the University of Northern Iowa was reviewed by the Board Office and was in order. The register contained one item.

The university submitted a final report on the Fire Safety Deficiency Corrections -- Academic Buildings, Phase II. The project was financed by Academic Building Revenue Bonds issued in 1981. Last month the university presented a revised budget for the project. The university indicated on the register the final accounting of funds for the project. The final report is filed in the Board Office.

MOTION: Regent Duchen moved that the Register of Capital Improvement Business Transactions for the period of February 1, 1987 through February 24, 1987 be approved by the board. Regent Greig seconded the motion, and it carried unanimously.

**APPROVAL OF LEASE FOR TOWER SPACE NEAR ALLISON, IOWA, FOR MASON CITY FM REPEATER STATION.** The Board Office recommended that the board approve the lease with Richmond Meats, Fort Dodge, for the use of space on an existing communications tower and in an attached radio shack, near Allison, Iowa, at a monthly rent of \$100, for an initial period of ten years beginning the first day of the month in which installation work commences.

The board previously approved the KUNI/Mason City Public Radio Project. A part of that project involved the installation of a microwave relay tower near Allison, Iowa. Approval of the lease would permit the university to install its equipment for KUNI/Mason City on an existing communications tower.

The lease specified the type of equipment which would be installed and the elevations on the tower at which it would be placed. The lease also provided space in the attached radio shack for operational equipment. The university would incur some expense in providing improvements on the tower to permit attachment of the university's equipment. The university reported that all

expenses incurred as a part of this project would come from grant funds already in hand. These funds were from the Public Telecommunication Facilities Program and the Friends of North Iowa Public Radio.

The university reported that appropriated, general funds of the university would not be utilized to support the \$100 monthly rental payment required by the lease. The university would make the rental payments from funds derived from the Friends organization.

The lease provided that after the initial ten year period it could be renewed for three additional five year periods upon terms and conditions to be negotiated by the parties. The lease could be terminated upon ninety days' written notice.

Regent Tyler asked if a ten year lease was too long. Director Wright stated it was not uncommon for this type of lease.

MOTION:

Regent Tyler moved that the board approve the lease with Richmond Meats, Fort Dodge, for the use of space on an existing communications tower and in an attached radio shack, near Allison, Iowa, at a monthly rent of \$100, for an initial period of ten years beginning the first day of the month in which installation work commences. Regent VanGilst seconded the motion and upon the roll being called the following voted:  
AYE: Anderson, Duchon, Greig, Harris, McDonald, Murphy, Tyler, VanEkeren, VanGilst.  
NAY: None.  
ABSENT: None.

President McDonald asked board members and institutional executives if there were additional matters to be discussed pertaining to the University of Northern Iowa. There were none.

## IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Thursday, March 12, 1987.

**REGISTER OF PERSONNEL CHANGES.** The register for the month of February 1987 was approved as part of the consent docket.

**REGISTER FOR CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS FOR FEBRUARY 1987.** The capital register for the Iowa School for the Deaf contained no transactions for the month of February 1987.

**NAMING OF BUILDING AT IOWA SCHOOL FOR THE DEAF.** The Board Office recommended the board approve the naming of the Main Administration Building on the campus of the Iowa School for the Deaf the C. Joseph Giangreco Building.

President McDonald stated the Iowa School for the Deaf Faculty Senate petitioned the Board of Regents to dedicate the Main Administrative Building on campus to Dr. C. Joseph Giangreco. He said it was highly appropriate that Dr. Giangreco be honored in this manner for his many years of outstanding service to the students at the Iowa School for the Deaf and the people of Iowa.

**MOTION:**

Regent Murphy moved that the Main Administration Building on the campus of Iowa School for the Deaf be named the C. Joseph Giangreco Building. Regent Tyler seconded the motion, and it carried unanimously.

President McDonald congratulated Superintendent Giangreco and stated it was a much deserved honor.

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

IOWA BRAILLE AND SIGHT SAVING SCHOOL

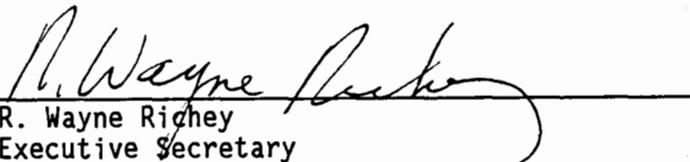
The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Thursday, March 12, 1987.

**REGISTER OF PERSONNEL CHANGES.** The register for the month of February 1987 was approved as part of the consent docket.

**REGISTER FOR CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS FOR FEBRUARY 1987.** The capital register for the Iowa Braille and Sight Saving School contained no transactions for the month of February 1987.

President McDonald then asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to Iowa Braille and Sight Saving School. There were none.

**ADJOURNMENT.** The meeting of the State Board of Regents adjourned at 11:20 a.m. on Thursday, March 12, 1987.

  
R. Wayne Richey  
Executive Secretary