

The State Board of Regents met on Wednesday, March 16, 1994, at the Sioux City Convention Center, Sioux City, Iowa. The following were in attendance:

March 16

Members of State Board of Regents

Mr. Berenstein, President	All sessions
Mr. Collins	All sessions
Mr. Dorr	All sessions
Ms. Furgerson	All sessions
Mrs. Hendricks	All sessions
Mrs. Johnson-Matthews	All sessions
Dr. Newlin	All sessions
Mrs. Pellett	All sessions
Dr. Tyrrell	All sessions

Office of the State Board of Regents

Executive Director Richey	All sessions
Deputy Executive Director Barak	All sessions
Director Specter	All sessions
Associate Director Racki	All sessions
Minutes Secretary Briggie	All sessions

State University of Iowa

President Rawlings	All sessions
Provost Nathan	All sessions
Vice President Manasse	All sessions
Vice President Rhodes	All sessions
Vice President True	All sessions
Associate Vice President Small	All sessions

Iowa State University

President Jischke	All sessions
Provost Kozak	All sessions
Vice President Madden	All sessions
Vice President Theilen	All sessions
Associate to the President Adams	All sessions
Executive Assistant to the President Dobbs	All sessions
Director Jensen	All sessions

University of Northern Iowa

President Curris	All sessions
Provost Marlin	All sessions
Vice President Conner	All sessions
Vice President Follon	All sessions
Executive Assistant to the President Stinchfield	All sessions
Director Chilcott	All sessions

Iowa School for the Deaf

Superintendent Johnson	All sessions
Business Manager Heuer	All sessions
Interpreter Green	All sessions
Interpreter Peek	All sessions

Iowa Braille and Sight Saving School

Superintendent Thurman	All sessions
Director Hauser	All sessions

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday, March 16, 1994.

President Berenstein welcomed everyone to Sioux City.

APPROVAL OF MINUTES OF BOARD MEETING, FEBRUARY 16, 1994. The Board Office recommended the Board approve the Minutes, as written.

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

ACTION: President Berenstein stated the Board approved the Minutes of its February 16, 1994, meeting, by general consent.

CONSENT ITEMS. The Board Office recommended the Board approve the consent docket, as presented.

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

Refer the Iowa State University request to change the name of Continuing Education to Extended and Continuing Education;

Receive the report of the Higher Education Strategic Planning Council meeting;

Receive the status report on the Board Office budget as of February 28, 1994;

Receive the Board Meetings Schedule; and

Receive the Register of Capital Improvement
Business Transactions for Iowa Braille and Sight
Saving School.

MOTION CARRIED UNANIMOUSLY.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a) Unit Name Change, Iowa State University. The Board Office recommended the Board refer the university's request to the State Extension and Continuing Education Council.

In January, university officials requested approval of a name change for the Continuing Education unit and certain aspects potentially affecting institutional data collection.

The Interinstitutional Committee in its review of the proposed change suggested that, if there is a need because of a desire for uniform reporting, the request should be referred to the State Extension and Continuing Education Committee.

The Board Office believes that in the effort to ensure uniform reporting of all data a review by the State Extension and Continuing Education Council would be desirable.

ACTION: This matter was referred by consent.

SPRING ENROLLMENT REPORT. The Board Office recommended the Board receive the report on spring 1994 enrollments at Regent universities.

Spring 1994 enrollment at Regent universities was 60,230 students, a decrease of 1.8 percent (1,091 students) from spring 1993.

Following is a summary of fall vs. spring enrollment the last two years at each university.

Table 1. Fall and Spring Enrollments 1992-93 and 1993-94

University	Fall Headcount Enrollment		Spring Headcount Enrollment		Percentage Change Fall to Spring	
	Fall 1992	Fall 1993	Spring 1993	Spring 1994	1992-93	1993-94
University of Iowa	27,463	27,051	25,724	25,271	-6.3%	-6.6%
	-1.5%		-1.8%			
Iowa State University	25,263	25,112	23,493	23,206	-7.0%	-7.6%
	-0.6%		-1.2%			
University of Northern Iowa	13,045	12,717	12,104	11,753	-7.2%	-7.6%
	-2.5%		-2.9%			
Total Regent Universities	65,771	64,880	61,321	60,230	-6.8%	-7.2%
	-1.4%		-1.8%			

All three universities experienced a higher percentage decrease in their enrollment from fall to spring than they did in academic year 1992-93.

Historically the greatest loss of enrollment from fall to spring semesters has been in the freshmen classes. From fall 1993 to spring 1994 each university lost the following percentages of enrollment from their freshmen classes.

Table 2. Decrease in Freshmen Enrollment From Fall to Spring 1993-94

University of Iowa	-29.9%
Iowa State University	-30.3%
University of Northern Iowa	-27.3%

Over the previous five years from 1988-89 to 1992-93 the number of students classified as freshmen declined from fall to spring as follows:

- o At the University of Iowa from 26% to 39%.
- o At Iowa State University from 29% to 35%.
- o At the University of Northern Iowa from 23% to 30%.

Since 1985-86 the overall Regentwide percentage loss in enrollment from fall to spring has ranged from 6.2 percent to 7.2 percent and has averaged 6.6 percent.

In 1993-94 full-time equivalent (FTE) enrollment decreased from fall to spring semesters as shown below:

Table 3. Full-time Equivalent Enrollment Fall and Spring Semesters 1993-94

	Fall	Spring	Change	Percent Change
University of Iowa	22,633	21,072	-1,561	-6.9%
Iowa State University	23,116	21,256	-1,860	-8.0%
University of Northern Iowa	11,022	10,121	-901	-8.2%

Director Barak reviewed the enrollment report with the Regents, noting that there was a decrease in overall enrollment at all three Regent universities.

Regent Pellett referred to the decline in freshmen enrollments and asked if the decline was in incoming students. President Jischke responded that the number of freshmen includes students who started in the fall and those who started a year earlier and did not finish their freshman year. Students who had completed 30 credit hours would qualify as sophomores.

Regent Dorr said there appeared to be an indication that enrollments fell more than expected. Was there a reason for concern for the fall 1994 enrollments?

President Rawlings responded that for the University of Iowa enrollments appear to be stable for the coming fall. University officials did not see trends that would cause concern. New student enrollments look solid at this point.

President Jischke stated that applications and admissions at Iowa State University are up for next fall. He said a trend over the last 10 to 20 years is for students to apply to more than one institution. There is also evidence of financial issues playing a major role in where students enroll initially.

Regent Dorr noted that the 10-year trend was down 4-1/2 percent.

President Jischke said there are trends that suggest that students are financing more of their education themselves. The average number of credit hours students take in any

one semester is decreasing. Students are working to help pay their college expenses and feel it is not urgent to complete their education in 4 to 5 years.

Regent Collins asked how Iowa's Regent universities compare nationwide. President Jischke responded that the most important single factor is demographics. In the southern United States college enrollments are increasing versus the Northeast where enrollments are decreasing. Financial circumstances also are a factor. Enrollments at California schools have decreased. Nationwide enrollments are very mixed and it depends on local circumstances.

Regent Newlin noted that Drake University and Grandview College enrollments are both down.

Regent Collins stated that people may feel that they do not need a college education and are going another route.

President Jischke responded that he did not believe that was the case but that enrollments were more influenced by demographics. The question of how graduates distribute themselves is driven by finances. Community college enrollments are increasing as a prelude to transferring to 4-year institutions.

Provost Nathan stated that a significant trend all over the country is that more students are attending a couple years at a public community college before enrolling in a 4-year institution.

President Curris stated that he agreed with his colleagues. The University of Northern Iowa is also seeing an increase in applications for admission. He noted that enrollments at University of Northern Iowa have been influenced by the opening of Hawkeye Community College in the same county as the university. Students can take 1 to 2 years of college courses at the community college at a lower cost than for comparable courses at the university. In terms of the national issues, he stated that historically when the economy has improved, there is margin of students employed who would otherwise be in college. As Iowa's unemployment drops, more students are working versus going to college. Another trend is that more students are working while getting their education in order to avoid heavy indebtedness. Those students feel it is not urgent to finish their education in 4 to 5 years.

Regent Dorr asked if the differential price of graduate programs was having an impact on graduate enrollments. President Rawlings responded that the demand for graduate programs is so high that the University of Iowa has to turn away very fine students. The cost of graduate tuition at the University of Iowa is still well below the market in

programs such as law. The national ranking of the law school continues to increase and the law school's tuition is lower than most.

President Berenstein asked about undergraduate enrollments in the rest of the schools at the University of Iowa. President Rawlings responded that there has been an increase in the undergraduate admission applications. Some of those are discounted because students are applying to more than one college.

Regent Collins noted that the University of Iowa law school is listed as #19 in the country and #6 within public law schools and, therefore, attracts students from around the country. He said the medical school is also ranked high in particular areas.

President Berenstein asked if there was an influx of new students because of the new business building at the University of Iowa. President Rawlings stated that in the long run university officials believe they will feel the effect of the attraction of the new building. He noted that they do not admit most business students until they have been on the campus for 1-1/2 years. Those students are liberal arts students first.

Provost Nathan noted that nationally business enrollments have decreased substantially which is a trend that business education goes through every decade or so. He thinks the building will be important in attracting students, as well as in maintaining and improving the quality of faculty.

President Berenstein said it was his understanding that some of the law graduates are taking some of the business jobs.

President Jischke stated that early indications are that the job picture is changing and improving. There are more companies on the campuses recruiting students.

ACTION: President Berenstein stated the Board received the report on spring 1994 enrollment at Regent universities, by general consent.

REPORT ON REVIEW OF ACADEMIC PROGRAMS. The Board Office recommended the Board (1) receive the Academic Program Reviews Report, (2) encourage the institutions to make greater use of the outcomes assessment efforts in the program review process; and (3) seek ways to focus some of the review recommendations on program improvement as opposed to a heavy emphasis on new resource needs.

This report represents a significant effort on the part of the universities to evaluate all academic programs to provide critical information for strategic decision-making.

The program review policies, procedures, and review reports presented to the Board in this year's annual report reflected the maturation of the review processes at the institutions.

Each of the universities has indicated enhancements and refinements to its program review policies and procedures.

The reviews reflect a greater degree of utilization of the results of the reviews in the planning and budgeting activities of the universities.

The policies and procedures utilized for these internal reviews of academic programs are consistent with recommendations for best practices that have been developed nationally.

Areas where further enhancement of the policies and procedures may be desirable include:

- o The reports reflect little or no evidence that the outcomes assessment effort is being taken into consideration as a part of the program reviews.
- o There still may be factors in the processes used by the institutions that result in an overly heavy emphasis in the recommendations on the acquisition of new resources as opposed to the improvement of the program with respect to teaching and instruction.

Iowa State University Academic Program Reviews

Iowa State University officials reported on eleven program reviews, four of which are in progress and seven which have reached closure. The programs reviewed this past year include:

Closure Not Yet Reached

History
Industrial Education and
Technology
Mathematics
Political Science

Closure Reached

Agricultural Biosystems
Engineering
Agricultural
Education/Studies
Classical Studies
Foreign Language and
Literature
Music
Naval Science
Plant Pathology

Iowa State University has expanded its procedures as proposed by the university in last year's report and encouraged by the Board. This has resulted in clearer processes for utilization of the reviewers' reports to clarify expectations and structure the response and the development of plans for implementation.

Iowa State University officials continue to regard the reviews as an effective tool in evaluation and improving of programs. The benefits of program reviews are seen in program based planning, resource allocation, and in team program development to the institutional goals embodied in the university's strategic plan.

The university's report includes a comprehensive master plan showing the review schedule for all academic programs over the next five to seven years. The focus is appropriately on substantive and inclusive program reviews which function over and above reviews by external bodies such as accreditation which may vary greatly in the level of quality.

University of Iowa Academic Program Reviews

University of Iowa officials reported on 17 programs reviewed this past year. Each report included information on the process used, the findings and recommendations and the actions taken as a result of the reviews. The programs reviewed at the University of Iowa this past year include:

Iowa Institute of Hydraulic Research
Department of Asian Language and Literature
Department of Communications Studies
Department of English

Department of Exercise Science
Department of Mathematics
Department of Psychology
School of Social Work
Unified Program*
Women's Studies Program
Department of Anatomy
Department of Family Practice
Department of Preventive Medicine and Environmental Health
Department of Urology
Program in Biomedical Ethics
Physician Assistant Program
Educational Programs in Physical Therapy

As proposed by the university and encouraged by the Board of Regents in last year's report, university officials have completed a review of its program review procedures resulting in a generally enhanced process.

The university report includes a master calendar showing the schedule of programs to be reviewed over the next 5-7 years and indicates considerable benefits from the program review process.

- * The Unified Program (UP) is a four semester series of general education courses for a small group of students who choose the program when they are freshmen.

University of Northern Iowa Academic Program Reviews

University of Northern Iowa officials reported on reviews of 7 program areas from 4 of its 5 colleges this past year. The programs reviewed at the University of Northern Iowa this past year include:

Economics (B.A.)
Curriculum and Instruction (Elementary and Middle School), (Early Childhood B.A. and M.A.), (Gifted M.A.) (Reading M.A.)
Special Education (B.A. and M.A.)
Education Psychology and Foundations (School Psychology, Teaching (M.A.)
Educational Psychology (M.A.)
Art (B.A., B.F.A., and M.A.)
English (B.A., M.A., TESOL-B.A., M.A.)
Communicative Disorders (B.A.)

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Audiology (Speech-Language Pathology M.A.)
Industrial Technology (Doctor of Industrial Technology, Master of Technology,
Construction Management (B.T.), Electromechanical Systems (B.S.),
General Industry and Technology (B.A.) and Graphic Communications
(B.A.)

The university report included a master calendar showing the review schedule for all programs over the next 7 years.

University officials have further refined procedures based on practice over the last several years to enhance overall program review efforts.

University officials indicated that the goals of the academic program review are to affirm aspects of the program which are satisfactory, and to initiate such modification and enhancements of the program as appear desirable.

Director Barak reviewed the report with the Regents, noting that this was a significant governance report.

Regent Tyrrell referred to a report of the Association of Governing Board regarding outcomes assessment. Iowa's program review effort was driven by a request of the Board of Regents. He said it may not be generally known how many of the colleges have very important advisory groups working with them on a continuing basis. Iowa's voluntary efforts in this regard may be the reason it does not have the external pressures that others across the country are experiencing.

Mr. Richey stated that the academic program review process was started several years ago. The University of Iowa was the first of Iowa's Regent universities to adopt a review process. The Board reviewed the university's process in the organizational audits and formalized the review requirement for all its institutions. Iowa's effort in this regard was not as a response to outside pressure but was adopted as a governance tool.

Regent Tyrrell noted that the reports did not reflect that the institutions are using external assistance, including alumni, to advise on programs.

Regent Collins noted that as he read through the reports, laced throughout were statements of need for more faculty and teaching assistants. He suggested the Regents be cognizant of those needs as they move forward.

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Regent Dorr noted that the Regents had received a lot of very good information. He questioned how much of this information was valuable. A lot of time, money and effort is put into this effort. How much does this effort detract from the primary mission of teaching and research?

Provost Nathan responded that the reviews are enormously important because they are accompanied by a set of specific recommendations that go to the departments, the deans and university officials. The deans take great care to follow up on the recommendations along a variety of fronts. He stressed that it is extremely important that a department periodically have a chance not only to look at itself but to have people from the outside come in and look at it, make recommendations and then, working with the dean, decide how to implement those recommendations. Most of the recommendations do not involve an increase in resources but rather a different way to do things. Few of the things they do at the University of Iowa are more important than departmental and collegiate reviews. He said the collegiate reviews involve the same process. The provost's office follows up on collegiate recommendations.

Regent Newlin asked if faculty feel like Provost Nathan about the importance of these reviews. Provost Nathan responded that the feeling was not universal but in general there is a strong feeling among faculty that it is important to have outside reviews.

President Jischke emphasized the importance of the role of outside evaluators. He considers it a "reality check". It is difficult to get the information that is provided in outside reviews in other ways. He said he could cite specific examples where the reviews have crystallized where increased efforts need to be made in certain areas.

Regent Furgerson stated that without outside evaluations, university officials have no idea what is going on in the rest of the world.

Regent Tyrrell asked how the evaluators are chosen in order to get an objective review.

President Jischke asked that Provost Kozak tell the Regents about the participants who most recently reviewed Iowa State University's mathematics program.

Provost Kozak stated that typically a department will forward a series of names. To the list will be added names that are suggested by other units in the university or by the Vice President for Research. In mathematics, for example, the four reviewers were from Washington University, Rensselaer, the University of Michigan and Minnesota. The names of the individuals were the result of a deliberative process. The proposed reviewers were contacted and asked if they would be willing to serve on the review committee.

Regent Tyrrell asked about the criteria for deciding which people are put on the list. President Jischke responded that in the case of the mathematics department, one of the reviewers was the President of the American Mathematical Society. They look for people who are both distinguished as scholars and also distinguished by their service to their profession.

Provost Kozak stated that there are three different groupings of mathematics departments. Group 1 is the top, group 2 is the second tier, and group 3 is the lowest. With respect to looking for mathematics reviewers, individuals are chosen from group 1 institutions because they represent the kind of quality from which can come substantive suggestions. For example, when they come to campus and make suggestions about resources, faculty loads and infrastructure support, they are calibrating what they experience at their institutions in those kinds of programs against what is available in our programs.

President Curris stated that he considers this kind of program review one of the most important things that occurs in a university. There will always be some cynics. He said that while external reviewers' comments are important, the importance of self study should not be overlooked. It is very important to people within the faculty. He said it is easy in large organizations for a person to feel that no one cares or listens. The internal reviews give the core of the university community an opportunity to express what the needs are. It has been his experience that when the university loses good faculty on campus it is, for the most part, because of a feeling that no one cares and significance is not given to what they are doing.

Provost Kozak noted that external reviews are a marvelous way of spreading the word about the quality of the university's programs. When external constituents return to their home institutions, they have a much better knowledge of the institution they just reviewed and may suggest a graduate student come study at this institution.

Regent Furgerson asked if any of Iowa State University's faculty had ever been invited to serve on an external review committee. President Jischke responded that Associate to the President Jean Adams was chairing the review of an entire university next week.

Provost Nathan stated that very many of the University of Iowa's faculty serve on external review committees. A large proportion of faculty do these reviews across the country.

President Berenstein stated that academic program reviews are the basis for what the Regents will do in the next few years. The process itself is good and stimulates the

people involved. It is a process that needs to be done for the greater good of the whole school. The report is the end result but the doing of the report is also very important.

Regent Newlin said he applauded the universities and the former Regents for initiating this program review effort. He was very appreciative of the articles Director Barak sent to Regents.

President Berenstein stated that it is obligatory on the part of the Regents to inform the public of what they do as a Board. There needs to be continuing dialogue in order to convey to the people of Iowa that the Regents are doing more than just attending meetings 12 times/year. The public needs to realize that the actual function and governance is more than just lip service. They need to be informed about the processes that make Iowa's system just a little bit better than everyone else's.

ACTION: President Berenstein stated the Board, by general consent, (1) received the Academic Program Reviews Report, (2) encouraged the institutions to make greater use of the outcomes assessment efforts in the program review process; and (3) sought ways to focus some of the review recommendations on program improvement as opposed to a heavy emphasis on new resource needs.

REPORT OF THE BANKING COMMITTEE. The Board Office recommended the Board adopt reports on current Banking Committee items.

Regent Hendricks stated that the Banking Committee had met yesterday afternoon. The members deferred action on the February 1994 meeting Minutes since the Minutes were not completed due to software problems. The Banking Committee reviewed the Regents' investment managers. They received reports from George Hauptfuhrer of INVESCO and Andrew Massie of Warburg, Pincus. The review process consumed about 1 hour and 45 minutes of the committee meeting because they discussed issues in depth. She said the process of selecting an international equities fund manager continues. The goal is to have a recommendation for appointment by the May Board meeting. The Banking Committee members received the quarterly investment and cash management report which was deferred from the February Banking Committee meeting. She said the Banking Committee members discussed a financing proposal for a fluidized bed boiler for the University of Iowa and approved the purchase of vehicles for Iowa State University through the master lease.

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MOTION: Regent Hendricks moved that Iowa State University be permitted to draw down \$200,000 under the Norwest Master Lease Agreement for the purchase of fifteen vehicles for Iowa State University Transportation Services. Regent Collins seconded the motion. **MOTION CARRIED WITH PRESIDENT BERENSTEIN ABSTAINING.**

ACTION: President Berenstein stated the Board received the report of the Banking Committee, by general consent.

POLICIES ON RISK MANAGEMENT. The Board Office recommended the Board (1) require each university to purchase commercial catastrophic insurance for academic/general funded facilities with a single incident deductible of \$5 million; (2) authorize the Board Office to work with the Department of Management, the State Auditor and the Executive Council to facilitate the State taking responsibility for paying the deductible in the event of claim, under Code of Iowa 29C.20, and to clarify claims procedures for other Regent claims under that section of state law; (3) add earthquakes and floods to the perils which are to be insured, subject to availability of coverage; and (4) continuously review the issue of rate/premium combination over the next two years for adjustment as appropriate.

At its July 1993 meeting the Board reconstituted the Priority Issue Study Committee on Risk Management for Building and Casualty Losses.

In February 1994 the Priority Study Committee reviewed building risk management issues and recommended a program of commercial insurance for Regent institutions.

This report also discussed non-building casualty loss procedures and recommended that clarification be sought from the State on implementation of the procedures.

The State of Iowa has no commercial insurance for the loss of its facilities. The universities and special schools are not required to carry commercial insurance unless special external requirements, such as bond covenants, require it.

The Regent institutions have 567 buildings (or portions thereof) with a total replacement and content values of over \$2.3 billion which are uninsured. Five hundred fifty-three (553) of these uninsured buildings (with replacement and content values over \$2.2 billion) are academic/general fund facilities.

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One hundred ninety (190) buildings and contents are insured for a total of \$1.5 billion, including all residence system facilities, student unions, most athletic and other self-supporting facilities. All bonded facilities are insured according to indenture requirements.

Commercial insurance is available for purchase on a Regent systemwide basis or by each institution. The campuses are of sufficient size to command cost efficiencies equivalent to those of one systemwide insurance program.

There are many potential combinations of premiums/deductibles which would provide coverage.

Premiums for all currently uninsured Regent academic/general fund facilities range from a high of approximately \$870,000 with a \$100,000 deductible to a low of approximately \$325,000 with a \$10 million deductible.

All currently uninsured Regent academic/general fund facilities could be insured for an annual premium of about \$360,000 with a \$5.0 million per incident deductible.

Board risk management procedures should be revised to include flood and earthquake as perils which should be insured, where appropriate. Flood coverage may be available for certain facilities, and all eligible facilities should be covered where economically feasible.

Under current Board procedures all loss occurrences of \$5,000 or less are absorbed by the Regent institutions (unless the aggregate of all such losses in any fiscal year exceeds \$15,000 for the University of Iowa and Iowa State University, \$10,000 for the University of Northern Iowa, or \$5,000 for the special schools.)

Losses above limits specified in The Board of Regents Procedural Guide may be payable under Chapter 29C.20 of the Code of Iowa, which creates a contingent fund in the state treasury for use by the Executive Council. The fund was established to pay for the repairing, rebuilding or restoration of state property injured, destroyed, or lost by fire, storm, theft or unavoidable cause.

Fewer claims than submitted by the Regents have been processed by the Executive Council during the last three or four years. More than \$770,000 in outstanding claims remains unresolved.

Executive Council guidelines specify that all permanent repairs estimated to cost in excess of \$500,000 per loss are referred to the Legislature for an appropriation.

Claims procedures should be refined to ensure that Regent claims under Chapter 29C.20 are given fair and timely consideration.

Regent Hendricks stated that for the past few months an ad hoc committee of the Board of Regents has examined various risk management opportunities including the identification of approximate levels of premiums to provide risk management coverage. The committee met yesterday to finalize its recommendations. She then proposed the following motion, noting that the recommendations differed somewhat from what was provided in the docket materials.

MOTION:

Regent Hendricks moved to (1) require each university and special school to purchase commercial catastrophic insurance for academic/general funded facilities with a single incident deductible of \$5 million for each university and recommend the Board Office determine appropriate deductibles for the special schools; (2) authorize the Board Office to work with the Department of Management, the State Auditor and the Executive Council to facilitate the State taking responsibility for paying the deductible in the event of claim, under Code of Iowa 29C.20, and to clarify claims procedures for other Regent claims under that section of state law; (3) add earthquakes and floods to the perils which are to be insured, where such coverage is appropriate; and (4) continuously review the issue of deductible/premium combination over the next two years for adjustment as appropriate. Regent Collins seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

REPORT ON LEGISLATIVE ACTIVITIES. The Board Office recommended the Board receive information on the Regents 1994 legislative program.

LEGISLATIVE ACTIVITIES:

President Berenstein, the Executive Director and the superintendents of the special schools appeared before the Joint Subcommittee on Education Appropriations on February 17, 1994.

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The House Education Committee held a hearing on February 17, 1994, which was attended by President Berenstein, the Executive Director and university presidents.

Regent Collins appeared before a Senate subcommittee on March 8, 1994, as part of the confirmation process.

Regents Berenstein and Furgerson were introduced to the Senate for appointment to the Higher Education Strategic Planning Council on February 17, 1994, and February 28, 1994, respectively.

LEGISLATIVE ISSUES:

The House Appropriations Committee met on March 10, 1994, and approved the operations appropriation bill without change from the House Education Appropriations Subcommittee bill.

The House bill appropriation levels are less than those recommended by the Governor by \$970,298 for the University of Iowa, \$685,956 for Iowa State University, and \$281,246 for the University of Northern Iowa.

The Senate Subcommittee on Educational Appropriations advanced an education appropriations bill which is based on the figures previously released with two exceptions: \$500,000 from ISU Agricultural Experiment Station was moved to Iowa State University General University and \$20,000 was added to the University of Iowa Tumor Registry.

The Senate subcommittee appropriation levels are less than those recommended by the Governor by \$10,000 for the University of Iowa and \$1,275,000 for Iowa State University.

No action has been taken on the Governor's salary bill (HSB 597.1).

HSB 723, a concurrent resolution relating to the Board's capital bonding program and providing the funding for \$28,750,000 in capital projects requested by the Board, was assigned to the House Appropriations Committee this week. (SUPPORT)

On March 9, 1994, the Senate reconsidered and passed SF 2010 requiring Senate confirmation of the Executive Director of the Board of Regents. (RECOMMEND THAT THE BOARD OPPOSE)

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On March 9, 1994, the Senate Appropriations Committee passed SF 414 which places four legislators on the Board of Regents as nonvoting members. (RECOMMEND THAT THE BOARD OPPOSE)

SF 2168, relating to additional lease-purchase contract reporting requirements, stipulates that an agency shall not enter into a lease-purchase contract unless the contract is reported in accordance with other provisions of the subsection (relating to inclusion in the Governor's budget), and initial funding for the contract is appropriated by the General Assembly. (RECOMMEND THAT THE BOARD OPPOSE)

Language with less stringent lease-purchase reporting requirements also is included in the appropriations bills.

SF 2089, which creates a governance structure for the Iowa Communications Network (ICN) and previously passed by the Senate, was passed by the House on March 9, 1994.

SF 2199, a capital appreciation bonding bill relating to college education financing through a provision for the State Board of Regents to issue bonds, passed the Senate on March 8, 1994.

A detailed list of the bills which may potentially impact the Regents is being monitored by the Board Office and the legislative liaisons.

Mr. Richey reviewed the report with the Regents. With regard to the education appropriations bill, he said there were some reductions proposed in terms of reallocations of appropriations by the legislature although not the major amounts that some predicted last month. He said there has been no action on the salary bill. It was his understanding that there is agreement that the numbers presented to the legislature are recognized as valid numbers regarding need. What would be appropriated was unknown although the amounts at this time are fairly close to what the Governor recommended. He noted that there were three items of proposed legislation concerning the governance responsibility of the Board of Regents. He recommended the Board go on record as opposing the intrusion on its governance authority. He was not aware of any other proposals during this session that suppress the Board's governance authority.

ACTION:

President Berenstein stated the Board received information on the Regents 1994 legislative program, by general consent.

ANNUAL REPORT AND TEN-YEAR PLAN OF THE RESIDENCE SYSTEMS. The Board Office recommended the Board (1) receive the annual residence system report for 1992-93, (2) approve the residence system ten-year plan for the years 1994-95 through 2003-2004, and (3) review enrollment and financial projections very carefully to see if the University of Northern Iowa's proposed rate increase is adequate.

Annual Residence System Reports

Each year the Regent universities prepare governance reports on the residence systems in three parts:

- o a comprehensive annual report providing financial statistics for the most recently completed fiscal year (FY 1993), information about occupancy for the most recent fall, and a description of various aspects of the residence system.
- o a ten-year plan presenting an overview of occupancy trends, significant policy issues, capital renewal plans, and finances for the next decade.
- o a rate proposal and preliminary budget for the next fiscal year (FY 1995).

Both the annual report and ten-year plan provide necessary background to evaluate the rate proposals for the coming year. Final action on the rate proposals will take place at the April 1994 meeting. Final budget approval will take place at such time as the Board acts on all institutional budgets.

Regent university residence systems have been delegated responsibility for all administrative functions associated with housing and dining operations including

- o physical construction, maintenance and safety,
- o financial planning and accountability,
- o personnel and payroll responsibilities,
- o educational support,
- o social and recreational programming,
- o enforcement of discipline, and
- o administration of housing rules, including punishment for violations.

The Iowa summer floods of 1993 caused considerable disruption of both the University of Iowa and Iowa State University residence systems as follows:

- o At the University of Iowa
 - o The flood cost the Department of Residence Services approximately \$1.3 million, primarily in lost revenue and equipment replacement.
 - o Mayflower Hall was temporarily closed until October 2, 1993.
 - o The closure of Mayflower displaced 1000 students. Only 700 students returned to occupy Mayflower when the facility reopened.

- o At Iowa State University
 - o The 1993 flood did not affect occupancy but caused estimated loss, repair, and replacement costs of \$1.65 million.
 - o The largest single project cost as a result of the flood is \$632,400 for replacement of all walk-in refrigerators and freezers and sprinklering of the Maple-Willow-Larch kitchen.
 - o Flood mitigation plans for Iowa State University will require \$600,000-\$700,000 to construct a ring dike and other flood preventing measures around the Maple-Willow-Larch complex.

A portion of these losses are covered by insurance.

Following are statistics illustrating the size of the residence system at each university during FY 1993.

Table 1. Statistics on Size of Residence System

University	No. of Students in Residence Halls	No. of Apartments Occupied	Total Revenues (In Millions)	Replacement Value (In Thousands)
University of Iowa	5,130	742	\$23.8	\$364,277
Iowa State University	7,781	1,072	\$29.6	\$425,536
University of Northern Iowa	4,437	365	\$14.6	\$197,982
TOTAL	17,348	2,179	\$68.00	\$987,795

The table below shows occupancy rates compared to design capacity for the fall 1992 and fall 1993 semesters and the percent of total enrollment residing in university housing.

Table 2. Occupancy Rates as Percent of Design Capacity

University	Residence Halls Percent of Design Capacity		Apartments Percent of Design Capacity		Percent of Total Enrollment
	Fall 1992	Fall 1993	Fall 1992	Fall 1993	
University of Iowa	94.2%	87.6%	98.9%	99.1%	21.7%
Iowa State University	90.4%	90.9%	99.7%	96.2%	36.6%
University of Northern Iowa	99.2%	97.2%	100.0%	100.0%	37.8%

Residence system usage is directly proportional to enrollment, particularly freshmen and sophomore enrollment. The following table presents overall and lower division enrollment statistics for fall semesters 1991 through 1993.

Table 3. Overall and Lower Division Enrollment Fall 1991 to Fall 1993

	Fall 1991	Fall 1992	Fall 1993
University of Iowa			
Total	27,881	27,463	27,051
Lower Division	8,445	8,378	8,618
Iowa State University			
Total	25,250	25,263	25,112
Lower Division	9,675	9,458	9,517
University of Northern Iowa			
Total	13,163	13,045	12,717
Lower Division	5,567	4,964	4,621

Room and board rates for a double occupancy 20 meal-per-week room during 1992-93 and 1993-94 at each university were:

Table 4. Room and Board Rates 1992-93 and 1993-94

	1992-93	1993-94	Percent Change
University of Iowa	\$3,148	\$3,266	3.75%
Iowa State University	\$3,044	\$3,104	1.97%
University of Northern Iowa	\$2,620	\$2,777	5.99%

The various components of the residence systems account for these amounts and percentages of revenue and expenditures:

Table 5. Revenues and Expenditures Fiscal Year 1993

University	Revenue (In 000's)	Percent	Expenditures (In 000's)	Percent	Net Revenue (In 000's)
University of Iowa					
Residence Halls	\$11,182	47%	\$9,430	52%	\$1,752
Apartments	\$2,455	10%	\$1,691	9%	\$764
Dining Services	\$7,054	30%	\$5,174	29%	\$1,880
Other Operations	\$3,066	13%	\$1,667	9%	\$1,399
<i>Total</i>	\$23,757	100%	\$17,962	100%	\$5,795
Iowa State University					
Residence Halls	\$13,118	44%	\$11,471	46%	\$1,647
Apartments	\$3,829	13%	\$2,850	12%	\$979
Dining Services	\$12,150	41%	\$10,455	42%	\$1695
Interest Income	\$541	2%	\$0		\$541
<i>Total</i>	\$29,638	100%	\$24,776	100%	\$4,862
University of Northern Iowa					
Residence Halls	\$5,712	39%	\$4,960	40%	\$752
Apartments	\$912	6%	\$563	5%	\$349
Dining Services	\$7,341	50%	\$6,988	56%	\$353
Other Operations	\$664	5%	\$0	0%	\$664
<i>Total</i>	\$14,629	100.00%	\$12,511	100.0%	\$2,118
Regent University Total					
Residence Halls	\$30,012	44%	\$25,861	47%	\$4,151
Apartments	\$7,196	11%	\$5,104	9%	\$2,092
Dining Services	\$26,545	39%	\$22,617	41%	\$3,928
Other Operations	\$3,730	5%	\$1667	3%	\$2,063
Interest	541	1%	\$0	0%	\$541
<i>Grand Total</i>	\$68,024	100%	\$55,249	100%	\$12,775

Comparisons with other institutions in each university's respective athletic conference show that room and board rates for all three universities are low.

Table 6 . Comparison Between Regent Universities and Other Institutions in Athletic Conferences

University	Comparison with Athletic Conference
University of Iowa	Lowest among Big Ten
Iowa State University	Second lowest among Big Eight
University of Northern Iowa	Lowest in Missouri Valley Conference

Each university had plant improvement, repair, and maintenance costs for fiscal years 1992 and 1993 as shown.

Table 5. Plant Improvement, Repair, and Maintenance Costs

	Gross Square Footage	FY 1992	FY 1993
University of Iowa	2,239,000	\$3.5 Million	\$4.1 Million
Iowa State University	2,975,000	\$5.6 Million	\$6.7 Million
University of Northern Iowa	1,357,000	\$2.3 Million	\$2.5 Million

Debt service payments the last two years were:

Table 6. Debt Service Payments Fiscal Years 1992 and 1993

	Fiscal Year 1992		Fiscal Year 1993	
	Amount	Percent of Revenue	Amount	Percent of Revenue
University of Iowa	\$2,018,335	8.8%	\$1,950,288	8.2%
Iowa State University	\$1,456,180	5.1%	\$1,446,280	4.9%
University of Northern Iowa	\$1,051,143	7.3%	\$1,351,460	9.2%

Voluntary residence system reserves at the end of fiscal year 1993 were:

University of Iowa - \$9,981,222
Iowa State University-\$5,329,562
University of Northern Iowa-\$2,490,033

Total meals served in fiscal year 1993 were 5,871,000, a decrease of 5.6 percent from fiscal year 1992. The following table shows average revenue, average cost, and net revenue per meal for each of the last fiscal years.

Table 7. Meal Revenues Fiscal Years 1992 and 1993

	Fiscal Year 1992			Fiscal Year 1993		
	Average Revenue Per Meal	Cost Per Meal	Net Revenue Per Meal	Average Revenue Per Meal	Cost Per Meal	Net Revenue Per Meal
University of Iowa	\$4.79	\$3.34	\$1.45	\$5.08	\$3.72	\$1.35
Iowa State University	\$4.10	\$3.56	\$.54	\$4.36	\$3.75	\$.61
University of Northern Iowa	\$4.05	\$3.84	\$.25	\$4.33	\$4.12	\$.21

All residence systems coordinate their efforts to comply with the requirements of the Americans for Disabilities Act (ADA) with their respective university administrations. Fire safety and security are high priorities in all three residence systems.

Ten-Year Plan

Demand for university housing is projected on the basis of enrollment trends. Most significant are the projections for lower division enrollment since far higher percentages of freshmen and sophomores use university housing.

University of Iowa

Projected demand for residence hall space will remain strong over the next ten years. Projected excess demand after 1998 exceeds 400 students and will necessitate limiting access, a return to the use of triple rooms, or the building of additional facilities.

Estimated expenditures for capital renewals will average \$4 million each year for the next decade.

To maintain reserves needed for capital renewals will require future rate increases to exceed the rate of inflation.

Estimated rate increases of 1.6 percent for fiscal year 1995 and 2 percent each year from fiscal year 1996 through 1998 will be necessary to maintain reserves.

Iowa State University

Projected enrollment will increase each year of the ten-year period 1994-95 through 2003-2004 except for next year 1994-95.

Projected numbers for lower division undergraduates show four years of decline, one year of no change, and five years of increases.

Estimated enrollment, particularly in lower division, should result in a stable residence hall occupancy rate which will increase from 7,781 to approximately 8,000-8,150 by the year 2003-2004.

Following is a summary of planned university housing space changes during the ten-year period 1994-95 through 2003-2004. Major demolition and construction projects are subject to Board approval.

- o 158 Pammel court apartments will be removed and replaced by new apartments.
- o 150 new apartments will be constructed.
- o 118 spaces (60 rooms) used for special programs and guest housing in fall 1991 will be returned to regular student housing by fall 1998.
- o Double occupancy rooms offered as single occupancy rooms are expected to fluctuate each year based on demand and available space.

- o 35 small triple rooms will be reduced to double occupancy.
- o A new Community Center will be constructed.

University of Northern Iowa

Projected enrollment for the next ten years shows a high point of 13,949 in 2003-2004. Anticipated residence hall occupancy will rise gradually over the decade and reach design capacity by 1997-98.

Mr. Richey stated that the residence system report was a major governance report which the Board of Regents had been receiving for approximately 20 years. The comprehensive report indicated that the residency systems were in good condition and that significant efforts had been made at all three universities to maintain the buildings. He noted that most of the facilities are aging and require higher maintenance costs.

Regent Hendricks referred to a University of Iowa table on page 9 of the docket memorandum which listed voluntary reserves and accumulated reserves. In the future she asked that the reports make the following distinctions: 1) do they add those together to get total services and 2) does the accumulated reserve include both mandatory and voluntary reserves?

Vice President True said he thought there was a page in the next section of the docket book, the memorandum for residence system rates, which addressed Regent Hendricks' concerns. He said he thought the answer was yes, that they add the numbers together. He referred to page 5 of the GD10 appendix and said the projected total reserve balance for FY 1995 is \$9.6 million.

Regent Hendricks said it appeared that much of the information reflected in the appendix was not reflected in the table "8".

President Rawlings responded that the appendix contained all the information prepared by the University of Iowa.

President Berenstein said he could understand why the legislature gets confused with too much information from the Regents!

Regent Hendricks noted that table 8 in the docket memorandum was not complete.

President Berenstein asked that George Droll present the annual report to the Regents at this time and provide a written capsulized summary through the Board Office to all the Regents before the next Board meeting.

Director Droll stated that the proposed 1.6 percent increase was below the 2 percent increase forecasted to be requested this year. He noted that no flood damage was included in the rate increase proposal. He was optimistic that in the fall of 1994 the University of Iowa will have a "full house". Insurance compensation for repairs to Mayflower have kept the rate increase low this year.

President Berenstein asked if insurance would cover the entire cost of damage to Mayflower. Director Droll responded that he was hopeful the university would collect a majority of the cost through insurance. University officials will know later this spring what the final amount of reimbursement will be.

Vice President True noted that the university had claimed \$1.1 million for business loss. The insurer wants to make sure the business loss is not recouped in some other manner before paying the claim. Insurers are very cautious in business interruption insurance claims. They want to be assured that the income was not just deferred but was actually lost.

President Berenstein stated that the University of Iowa had low room residency because people could not use the rooms due to flood damage.

Vice President True noted that the insurer wants to determine whether the university had surplus capacity somewhere else in the system. He said university officials should know by this summer whether or not the insurer will pay on the business interruption loss claim.

Clark Elmer, Director of Enrollment Management and Residence, University of Northern Iowa, stated that the annual report provided an overview of operations for the year 1992-93. The fall 1992 occupancy rate at the university is 99.2 percent compared to 97.2 percent occupancy for fall 1993. He said the residence system is financially stable. The residence system has a capital projects program of \$1.7 million. He said they have had a financially difficult year with bringing the new residence facility, ROTH, (Residence on the Hill) on line, with the added debt service for that building. They had a capital program this year of \$900,000 which focused primarily on assisting with getting half of ROTH open which occurred in January. He said the 10-year plan shows gradually increasing enrollments and occupancy over the 10-year period of the report. The new building will be fully on line in the fall of 1994 and was expected to help meet most of the occupancy demands for the next 10 years.

Charles Frederiksen, Director of Residence System, Iowa State University, reviewed the university's residence report with the Regents. He noted that this year's net revenues after operating expenses and debt service were added to the reserves.

Regent Hendricks asked for clarification regarding Iowa State University's voluntary and accumulative reserves. Director Frederiksen responded that the information Regent Hendricks referred to was taken from the university's report and included in the table provided by the Board Office. He said it did not include mandatory reserves.

Mr. Richey noted that the word "voluntary" was left out of a table and may have been causing some confusion.

Regent Hendricks stated that the table indicated that Iowa State University had mandatory reserves of \$2,913,280. If that amount is added to the total, instead of totaling \$8 million it is \$10 million.

Director Fredericksen said he would refer the question to the Board Office.

President Berenstein asked that the Board Office accumulate the information and present it in concise form for the next meeting.

Regent Collins asked from where the residence directors get their assumptions concerning occupancy levels. Director Elmer responded that all directors use the enrollment information from admissions offices and registrars. Each then in his/her own way evaluates what the information means for occupancy rates.

Regent Collins asked how distance learning will impact occupancy rates in the future. President Rawlings said that was a good question and that it was hard to predict the impact. However, there is a great desire among students in the state to actually be on the campuses.

Regent Collins cautioned that the potential impact should not be ignored. No one can predict the impact that the Iowa Communications Network will have on on-campus enrollments.

President Jischke stated that another unknown was what the local private sector would provide in the future for housing. Iowa State University officials are rather cautious about embarking on new capital expenditures for housing because of the unknowns. Their goal is to keep the residence facilities fully occupied and in good working condition.

Mr. Fredericksen stated that admissions information gives the residence directors a good overview of enrollment projections. Other criteria when determining occupancy levels is the mix of adult undergraduates within the enrollment not just the total numbers. He said he was pleased with the kind of housing that Iowa State University can offer today and believes the attractiveness of the space is reflected in the occupancy rates.

Regent Dorr said it appeared that economic forces still have a significant impact on students housing choices. Lower board and room rates encourage higher occupancy rates. The price relationships are significant.

ACTION: President Berenstein stated the Board, by general consent, (1) received the annual residence system report for 1992-93, (2) approved the residence system ten-year plan for the years 1994-95 through 2003-2004, and (3) reviewed enrollment and financial projections very carefully to see if the University of Northern Iowa's proposed rate increase is adequate.

PROPOSED RESIDENCE SYSTEM RATES. The Board Office recommended the Board:

- (1) Give preliminary consideration to the proposed rates for residence halls, and dining contracts for the academic year at the three Regent universities, as follows:

Double Occupancy Rooms with 20 Meals per Week

University	1993-94 Rate	Proposed 1994-95 Rate	\$ Incr.	% Incr.
SUI	\$3,266	\$3,423	\$157	4.8%
ISU	\$3,104	\$3,224	\$120	3.9%
UNI	\$2,777	\$2,991	\$214	7.7%

- (2) Give preliminary consideration to apartment rate increases averaging:

SUI	3.56%
ISU	4.9%
UNI	7.7%

- (3) Receive the FY 1995 preliminary residence system budgets subject to further review and action when university FY 1995 operating budgets are presented.
- (4) Give preliminary consideration to a new academic year mandatory fee of \$41 (\$10 for the eight week summer session, \$5 for the four week summer session) for cable television service for students living in residence halls at the University of Northern Iowa.

Officials of each university proposed rate increases for residence halls, apartments and board contracts for FY 1995. The proposed rates for double occupancy rooms with 20 meal per week board contracts were as follows:

University	1993-94 Rate	Proposed 1994-95 Rate	\$ Incr.	% Incr.
SUI	\$3,266	\$3,423	\$157	4.8%
ISU	\$3,104	\$3,224	\$120	3.9%
UNI	\$2,777	\$2,930	\$153	5.5%

The Board Office recommended approval of the rate increases requested by the University of Iowa and Iowa State University.

The Board Office recommended that the University of Northern Iowa rates increase by 7.7 percent or \$214 instead of 5.5 percent or \$153 per academic year as requested. A rate increase averaging 7.7 percent for University of Northern Iowa apartments, which have an occupancy of 100 percent, was recommended by the Board Office at this time.

The proposed rates would be effective:

	<u>SUI</u>	<u>ISU</u>	<u>UNI</u>
Residence Halls	94-95 fall semester	May 15	1994 fall semester
Apartments	June 1	July 1	July 1

University of Northern Iowa

The Board Office recommended that university rates increase by 7.7 percent or \$214.

University officials proposed a 5.5 percent or \$153 increase in residence hall rates for double occupancy units. These room rates include full board.

The Board Office recommendation will preserve the quality of service to students in the residence system.

The raising of fees to the recommended level will help avoid the possibility of requiring double digit increases in future years.

Rate increases since Fall 1985 for a single student in a double room with a 20 meal contract are as follows:

	<u>Percent Change</u>	<u>\$ Change</u>
Fall 1985	5.0%	\$ 90
Fall 1986	3.0%	56
Fall 1987	3.5%	68
Fall 1988	6.5%	132
Fall 1989	4.0%	86
Fall 1990	4.0%	90
Fall 1991	5.0%	116
Fall 1992	7.3%	178
Fall 1993	6.0%	157
Proposed Fall 1994	<u>5.5%</u>	<u>153</u>
Cumulative	62.5%	\$1,126

Residence hall beds occupied during the last eight years and projections for Fall 1994 are as follows:

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	<u>Number of Beds Occupied</u>	<u>% of Design Capacity</u>
Fall 1986	4,647	101.8%
Fall 1987	4,263	93.4%
Fall 1988	4,451	99.4%
Fall 1989	4,672	104.0%
Fall 1990	5,071	111.3%
Fall 1991	4,976	109.0%
Fall 1992	4,532	99.2%
Fall 1993	4,437	97.2%
Estimated Fall 1994	4,587	92.7%*

* The new residence facility with 381 beds will be open.

Residence hall occupancy for fall 1994 is expected by the university to increase by 150 beds (3.1 percent). This is counter to the trend over the previous three years.

Apartment rates were proposed by the university to increase from 4.39 percent to 5.49 percent.

Occupancy as a percentage of design capacity for the apartments has been close to 100 percent for the last three years and this occupancy rate is expected to continue.

The Board Office recommended that apartment rates increase by an average of 7.7 percent for fall 1994.

Financial projections included in the bond offering statement for the new residence hall facility were based upon an increase of 7 percent per year in room and board and apartment housing contracts for FY 1993 - FY 1996.

For FY 1993 an average rate increase of 7.3 percent was approved; for FY 1994 the increase was 6 percent.

It is estimated that the 7.7 percent (\$214) increase will generate \$290,000 over the university's revenue estimate for FY 1995 if its occupancy assumptions are achieved.

The university's proposed FY 1995 budget is based on an occupancy increase of 150 students and the 5.5 percent (\$153) rate increase.

In preparing its FY 1995 preliminary budget the university also made certain assumptions regarding inflationary cost increases.

	Percentage <u>Increase</u>
Salaries & Wages	4.0%
Food Costs	3.0%
Repairs & Maintenance	4.0%
Utilities	3.0%
Other Operating Expenses	3.0%

The budget projects net revenue after debt service and mandatory transfers of 2.4 percent of revenues (\$361,800) compared to 10.7 percent at the University of Iowa and 7.2 percent at Iowa State University.

After the university overhead payment is deducted from the above amount, the operating margin is \$33,670.

This amount is 0.2 percent of revenues, equivalent to gross fee revenue from 11 residence hall students.

End of year voluntary reserve balances have declined from \$5.1 million in FY 1990 to an estimated \$2.0 million for FY 1994 and FY 1995.

The estimated budget for FY 1995 shows projected expenditures for capital improvements and repairs in existing facilities of slightly more than \$1 million (0.6 percent of the replacement value of existing facilities, \$0.69/GSF).

For FY 1994 it is estimated that only \$901,000 will be spent for repairs and renovations in existing facilities. Board Office suggests that this level of funding is inadequate.

These numbers compare to projected expenditures of 2.19 percent of replacement value for the University of Iowa and 1.82 percent for Iowa State University.

Adequate funding of renovations and repairs of aging facilities is essential and is needed to continue to make the system attractive to students.

The additional income to be generated by the Board Office recommendations would increase repair and renovation expenditures to approximately 1 percent of the replacement value of existing facilities.

It would also provide needed operating resources should occupancy not increase by the 150 students anticipated by the university.

Because occupancy this fiscal year has not reached budgeted levels, expenditures have been reduced more than \$600,000, including over \$100,000 from repairs and maintenance.

Under Board Office recommendations, university 1994-95 residence hall rates would be lower than 1993-94 academic year rates at all other Missouri Valley institutions. (Average - \$3,583)

University of Northern Iowa officials proposed initiation of a \$41 per academic year, \$10 for the eight week summer session and \$5 for the four week summer session, fee for cable television service for students living in residence halls.

University of Iowa

University of Iowa officials proposed 1994-95 rates averaging 4.75 percent for the residence system. This compares to an average rate increase of 3.85 percent for the previous year.

Of the proposed increase, 1.6 percent is to maintain reserves to fund the capital improvement program outlined in the Ten-Year Plan.

Rate increases since Fall 1985 for a single student in a double room with a 20 meal contract have been:

	<u>Percent Change</u>	<u>\$ Change</u>
Fall 1985	3.7%	\$ 76
Fall 1986	5.5%	117
Fall 1987	5.4%	123
Fall 1988	5.2%	123
Fall 1989	3.7%	91
Fall 1990	7.3%	189
Fall 1991	7.7%	213
Fall 1992	5.6%	166
Fall 1993	3.7%	118
Proposed Fall 1994	<u>4.8%</u>	<u>157</u>
Cumulative	66.8%	\$1,372

Residence hall beds occupied during the eight years and projections for Fall 1994 are as follows:

	<u>Number of Beds Occupied</u>	<u>% of Design Capacity</u>
Fall 1986	6,554	108.8%
Fall 1987	6,431	106.8%
Fall 1988	6,360	108.3%
Fall 1989	6,282	107.0%
Fall 1990	5,748	98.1%
Fall 1991	5,510	94.5%
Fall 1992	5,527	94.6%
Fall 1993	5,130	87.6%
Estimated Fall 1994	5,536	94.3%

Fall 1994 occupancy levels are expected to return to the levels of 1992-93.

The Department of Residence Services believes that the Fall 1993 reduction is the result of the summer of 1993 flood and is not driven by market demand.

Mayflower Dormitory was closed from July until early October.

Proposed rate increases for family housing apartment operations average 3.56 percent.

The number of apartment units occupied has declined from 794 in the fall of 1986 to 741 during the fall of 1993. The decline in occupancy for 1993-94 has reduced the estimate for net revenue after debt service and mandatory transfers to \$1.5 million compared to the Board approved budget of \$2.5 million.

With the decline university officials are still estimating that renovations and repairs will total \$5.7 million (\$2.53/GSF; 1.75 percent of the replacement value of the facilities).

In preparing its FY 1995 preliminary budget, the university made certain assumptions regarding inflationary cost increases:

	Percentage <u>Increase</u>
Payroll	2.2%
Food Costs	3.0%
Utilities	8.0%
Other Operating Expenses	0-4%

Net revenue after debt service and mandatory transfers is estimated to increase to \$2.7 million (10.7 percent of revenues) for FY 1995 with the above occupancy assumptions and approval of the proposed rates.

Expenditures for renovations and repairs are estimated at \$7.1 million (\$3.17/GSF, 2.19 percent of the replacement value)

At the conclusion of FY 1995 it is estimated that voluntary reserves will equal approximately \$6 million after the above planned expenditures for renovations and repairs.

The Board Office recommended approval of the rate increases requested by the University of Iowa.

With this rate increase, the 1994-95 rate for a double occupancy room with 20 meals per week will be lower than comparable rates at all other 1993-94 Big Ten institutions.

These 1993-94 rates ranged from a high of \$5,329 at Northwestern to a low of \$3,266 at the University of Iowa with the mean being approximately \$3,900.

Iowa State University

Iowa State University officials proposed an increase in undergraduate residence hall double room rates of 4.9 percent and a board increase ranging from 2.8 percent to 3.0 percent depending upon the selected meal plan.

The increase for an undergraduate student living in a double with a board contract of 20 meals per week would be 3.9 percent

Rate increases since Fall 1985 for a single student in a double room with a 20 meal contract are as follows:

	<u>Percent Change</u>	<u>\$ Change</u>
Fall 1985	3.8%	\$ 70
Fall 1986	6.4%	122
Fall 1987	9.9%	202
Fall 1988	10.6%	238
Fall 1989	4.8%	120
Fall 1990	4.6%	120
Fall 1991	4.8%	130
Fall 1992	6.8%	194
Fall 1993	2.0%	60
Proposed Fall 1994	<u>3.9%</u>	<u>120</u>
Cumulative	74.6%	\$1,376

Residence hall beds occupied during the last eight years and projections for Fall 1994 are as follows:

	<u>Number of Beds Occupied</u>	<u>% of Design Capacity</u>
Fall 1986	9,623	110.4%
Fall 1987	8,790	100.5%
Fall 1988	8,415	96.3%
Fall 1989	8,392	97.5%
Fall 1990	8,315	95.4%
Fall 1991	7,851	91.7%
Fall 1992	7,742	90.4%
Fall 1993	7,781	90.9%
Estimated Fall 1994	7,832	91.5%

Occupancy in residence halls is estimated to increase by 0.7 percent next fall.

The proposed average increase for student apartments is 4.9 percent, with the range being 3.0 percent to 5.6 percent.

The number of apartment units occupied has declined from 1,424 in Fall 1986 (96.7 percent of design capacity) to 1,072 in the Fall 1993 (96.2 percent of design capacity).

There is expected to be a decrease of 24 apartments available for rent in Pammel Court during the next school year.

During FY 1994, the sum of \$6.9 million (\$2.35/GSF, 1.82 percent of the facilities' replacement value) is budgeted for repairs and renovations.

In preparing its FY 1995 preliminary budget the university made certain assumptions regarding inflationary cost increases:

	<u>Percentage Increase</u>
Salaries & Wages	3.5% (average)
Food Costs	3.0%
Repairs & Maintenance	5.0% (inflation plus additional repairs)
Utilities	3.0%
Other Operating Expenses	1.0-3.0%

FY 1995 revenue after debt service and mandatory transfers is expected to be \$2.2 million (7.2 percent of revenues).

This amount compares favorably to the revised 1993-94 amount of \$2.3 million but is a decline of almost \$670,000 from 1992-93 actual revenue.

The voluntary reserve balance is expected to decline by \$1.3 million between FY 1993 and FY 1995, a decline of 24.5 percent, with a balance of slightly more than \$4 million projected for June 30, 1995.

During the last two years the university has had the lowest percentage rate increases among the three universities, which has contributed to the reductions in net revenue.

The university's projected voluntary reserve balance is projected to be well above the minimum requirements. Accordingly, the Board Office is less concerned about the adequacy of its proposed rate increase.

The university should carefully consider its FY 1996 rates in view of the reserve levels at the time the rates are proposed.

The Board Office recommended approval of the rate increases requested by Iowa State University.

With the above rate increases, the university's 1994-95 rate will lower than the 1993-94 Big Eight average (\$3,295).

Mr. Richey reviewed the Board Office recommendations with the Regents.

President Berenstein asked if the Board Office was recommending that the Board adopt the rate increases as proposed by the universities except for the University of Northern Iowa which was recommended to be increased an additional 2.2 percent from the university's recommendation.

Mr. Richey said that was correct.

President Curris stated that the difference of \$50/student/year can be significant to students. He said university officials can justify the 5.5 percent increase they recommended. They could also justify the Board Office recommended increase of 7.7 percent. He said it was a question of balance. How much should the students have to pay in additional expenses? In going through the process of determining reasonable rate those concerns are weighed in the decision. It is basically a question of how much revenue do they need for what level of expenditures.

President Curris noted that every fall the Board of Regents goes through an intensive analysis of what tuition rates should be. Proposals come forth from all different sectors. The tuition increase decision is always weighted with reference to how much should students be asked to pay. He said the message that university officials read from the Board is that in looking at a range of charges they would like to be at the lower end. The 5.5 percent recommended increase represents the lower end of the range. If the Board wants to retain a conservative philosophy on rate increases it should adopt the university's recommendation. If expenditures need to be increased and rates need to go up, he said university officials can "live" with the 7.7 percent Board Office recommended rate increase. He thinks theirs is a reasonable recommendation; the Board Office recommendation is also reasonable. The question is whether they are more conservative or more liberal regarding increasing the rates. What university officials recommended was consistent with how they read the philosophy of the Board.

Keith Saunders, President, Northern Iowa Student Government, said he echoed what was said by President Curris. The increase in residence system rates is directly tied to tuition rates. There needs to be a range established for what students can afford and that had been overlooked so far in this debate. In October 1993 for the first time in 9 years students and the Board came to an understanding and a compromise regarding tuition. He stated that students feel that the proposal recommended by University of Northern Iowa officials was an acceptable compromise.

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Regent Furgerson said she wished they could look at this holistically. She has heard from African American students, those who need financial assistance. Those students are finding that they have to borrow more money to pay for their education. Those are the same students who are less apt to find jobs to pay back the money when they graduate. Those students also have the most difficult times getting jobs in the community when they are in college. She said students are caught in a double bind. She prefers to not isolate the proposed residence system increases because all the rate increases come together with much more impact on some students and their families.

President Berenstein stated that the bottom line, regardless of the dollar amount, is whether students have enough money to pay the bill. The increase might only be \$100 per year but if a student does not have \$100 it seems like an insurmountable amount.

President Berenstein then stated that he was pleased to recommend Keith Saunders for admission to the University of Iowa law school, and said he wished him the best.

President Berenstein asked for the Board Office rationale for recommending the rate increase by 7.7 percent.

Mr. Richey responded that the recommendation for an increase of 7.7 percent was related to the income, estimated amount of expenditure and maintaining an appropriate reserve balance for the process. He reminded the Regents that the university has a new dormitory facility coming on line with significant expenses with relatively few additional students going into the dormitory. In fact, when the Board Office projected it at the time the decision was made to build the new dormitory, it looked as if there might not be any additional total occupancy in the dormitory system to take care of the additional cost of operating the new facility. He said the major purpose for the recommended 7.7 percent increase was to avoid a higher-than-normal increase in the future. If, in fact, the 7.7 percent increase were higher than it turned out to be needed in fiscal year 1995, the rate for FY 1996 would be offset by that amount. He said it is a margin of safety.

Mr. Richey reminded the Regents that the dormitory facilities are bonded. It is important to keep a healthy financial statement to back those up. It is also important in terms of students being able to avoid a double digit increase in any one year. There was no question that they might be able to get by with a marginal increase of 5.5 percent. The Board Office recommended the 7.7 percent increase to try to put the system on a basis of planned increases that does not move rapidly up or down in any single year.

Regent Hendricks stated that the documents submitted by University of Northern Iowa officials showed a total end of FY 1993 reserve balance of \$9,222,531. Page 17 of G.D. 9 showed a combined reserve balance of about \$4 million. She said there was a big difference between those two figures. A chart with which the Regents were provided indicated that the residence systems needed to have a coverage ratio of 1.4 in order to meet our bond obligations. The document indicated that University of Northern Iowa coverage was only 1.46. She said that indicated a need for a significant increase. In looking at the difference between the two reserves, she questioned whether 1.4 was the coverage figure they should be using. She then referred to earlier comments by the student leader, Mr. Saunders. She said it was not right to compare housing rates at Iowa's Regent universities to those of other Big 10 or Big 8 university towns because of the different costs of living.

With regard to the proposed \$41 cable fee at the University of Northern Iowa, Regent Hendricks asked whether cable television is installed in every room. President Curris responded that it was in every room and was so voted on by the students.

Regent Hendricks stated that an adult student at the University of Northern Iowa who does not watch television should not have to pay a cable fee. She was concerned about mandatory fees such as the health fees. She has talked to adults who attend Regent universities and who are covered by other insurance. Those students appealed repeatedly for exemption from the mandatory fees and did not get any satisfaction. She believed that the cable fee should not be mandatory. She asked that the Board Office recommendation for University of Northern Iowa's rate increase be worked back down to 5.5 percent and for the University of Iowa at 3.9 percent given the fact that they have \$13 million in reserves. The reserve funds at the University of Iowa appeared quite healthy to her. Reserves of Iowa State University looked about right to her although it had the lowest reserves of any of Iowa's three universities according to documents submitted with the docket books. She concluded by stating that the Regents needed to see more figures.

President Berenstein recommended that the Board make no decision today but instruct the Board Office to look at the numbers again and work with University of Northern Iowa particularly, and make a recommendation at the next meeting.

Regent Newlin asked about the students voting on the mandatory cable fee. Director Elmer responded that university officials have been working on an agreement for three years. Students were polled during this process. The reason there is a mandatory fee is that they were able to get the best rate for all students by doing so. If they allowed students to opt in and out, the cost would not be as competitive as doing it in this manner.

Regent Johnson-Matthews stated that it was her recollection that 86 percent of the students voted for the mandatory fee.

Regent Newlin stated that since that was the case, the cable fee was not an issue that the Regents should debate.

Regent Hendricks asked about the mandatory cable fee for summer session adult students. Director Elmer responded that the fee would be \$5 for 4 weeks and \$10 for 8 weeks.

Regent Dorr asked if once the cable television system is wired into the university, can students tie on line with personal computers? Director Elmer said he did not believe students were directly benefited in that manner by this agreement.

Regent Johnson-Matthews asked if cable would be installed only in the residence halls or in the married student housing, also. Mr. Elmer responded that students residing in apartments would deal directly with the cable company as separate individual customers.

Mr. Saunders stated that the cable fee is similar to mandatory computer and health fees. Even though all students won't use the cable television, everyone has to contribute in order to get the best rate. He noted that in the comparison of the University of Northern Iowa to other peer institutions, it is the only institution that does not offer cable television in its residence halls which is another reason students are leaving the dormitories. He concluded by asking that the Regents look at the total cost of going to college in determination of future rate increases.

President Berenstein reminded Mr. Saunders that the cable television fee was self imposed. However, there was the philosophical question of viewing the total cost of going to college when considering increasing fees. Money is money. University of Northern Iowa students cannot complain about the \$41 cable television fee because they voted for it but it is still part of the cost of their education. The Regents need to review all this in the process before they vote. He asked that Mr. Richey help do that.

Regent Hendricks asked about cable television costs at the other two universities including whether the fee was mandatory. Vice President Madden responded that a number of years ago Iowa State University officials negotiated with the local cable company. The cable company in essence paid the cost of installing the system into the university buildings. This was done at the same time the university was redoing some of the telephone systems. It is a voluntary decision by the student at Iowa State

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University whether he/she wants cable television. All the rooms have the capability of being wired but students sign up as any other customer in the community for that service.

Regent Dorr asked what percent of the students subscribed to cable television. Director Fredericksen responded that the rate was 13 percent in the residence halls and 23 percent in the remainder of the residence system. The cable company offered a reduced "bulk" fee of \$8/month instead of \$22. There is now a proposal for a sliding scale. The monthly rate will go lower as the number of subscribers goes up.

Vice President True stated that cable television was voluntary at the University of Iowa. The Regents annually approve the rates. Although he could not recall the specific rates, the rates were lower than for the community, in general. Students pay cable television costs as part of their university bill. Each room is wired for cable television. The cable television lines were installed at the same time as new telephone lines were installed; therefore, the cost was borne by communications service.

Regent Dorr asked what percentage of the students use the cable television service. Vice President True responded that last year there was a high percentage of students who subscribed to the basic service and 30 to 35 percent who subscribed to the optional services.

Regent Furgerson stated that students with economic need have real problems in terms of the lifestyle to which they are limited. It is difficult for them to socialize with students who have a lot of money to spend and a much enhanced social life. She said that was the reason that the Regents need to look at fees, etc., holistically. Students of color have a hard enough time adjusting to communities where there are so few of them. Some of those students are extremely upset and are telling other young people not to come to certain campuses because of what they are experiencing. The Regents need to look holistically at the cost of college.

Regent Collins stated that it used to be that 4 years was the length of time in which most students completed their college education. For a mixture of reasons that amount of time has shifted from 4 to 5 years now to 5 to 6 years. Two to 3 years has been added to the normal span of time to complete their degree programs. The Regents seemed to spend no time talking about why that is happening. Let's address that problem. They need to get back to a normal 4-year education. The problems that Regent Furgerson was talking about could never be solved by adjusting rates, only. They need to address assistance programs such as Upward Bound. They are not addressing the problem by deciding whether or not to have cable television in the rooms.

President Berenstein stated that if it takes a student 6 years to complete their education it costs an additional \$20,000 approximately.

Regent Furgerson questioned if a student cannot get a job after graduating from college, how can they repay the financial assistance?

President Berenstein reminded the Regents that they talked about persistence a couple of months ago. Progress is being made. When his sons went through college there was no question that they would graduate in 4 years. He thinks that to do otherwise is an attitudinal problem to some extent. There has to be dialogue. They need to make people understand the thought process.

Regent Furgerson stated that the Federal government defines a full-time student as one who takes a minimum of 12 credit hours. She said many students think that is all they need to take in any one semester.

President Berenstein said students have to do some of the disciplining themselves.

President Berenstein then asked that the Board Office put the requested information together for the Regents to review.

ACTION:

President Berenstein stated the Board, by general consent, (1) gave preliminary consideration to the proposed rates for residence halls and dining contracts for the academic year at the three Regent universities, as presented; (2) gave preliminary consideration to apartment rate increases, as presented; (3) received the FY 1995 preliminary residence system budgets subject to further review and action when university FY 1995 operating budgets are presented; and (4) gave preliminary consideration to a new academic year mandatory fee of \$41 (\$10 for the eight-week summer session, \$5 for the four-week summer session) for cable television service for students living in residence halls at the University of Northern Iowa.

REPORT OF AFFILIATED ORGANIZATION. The Board Office recommended the Board receive the report on the SUI Measurement Research Foundation.

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The purposes of the SUI Measurement Research Foundation are to advance knowledge in educational testing, enrich the training of research workers in this field, and support the development of measuring instruments of potential value to school personnel.

The Foundation achieves its purposes through research grants, support of test development projects of the Iowa Testing Programs, subsidies to enrich the University of Iowa graduate program in measurement, and support for activities which disseminate research findings.

Since 1971, the Foundation has contributed approximately \$6.1 million to projects and programs of the University of Iowa. The total does not cover the funds contributed to cover construction costs and art work of the original unit of the Lindquist Center.

The financial statements for the period October 1, 1992, through September 30, 1993, reported total income of \$405,219 and expenses of \$538,375, for a net income deficiency of \$133,156 for the year ended September 30, 1993.

Net worth of the Measurement Research Foundation was \$8,878,840 for the year ended September 30, 1993, compared with \$9,011,996 for the year ended September 30, 1992.

Affiliated organizations comprise a wide variety of special activities and interests, such as channeling contributions, obtaining patents, serving as an educational and service unit for alumni and friends and advancing knowledge in the field of testing.

Affiliated organizations are required to provide annual reports to the Board of Regents for docketing within six months following the end of their fiscal year.

Irregularities or significant issues found by auditors are brought to the Board's attention immediately.

The reports of the other affiliated organizations are scheduled for docketing during the next year as follows: ISU Committee for Agricultural Development and ISU Agricultural Foundation in June 1994; ISU Stanton Memorial Carillon in September 1994; SUI Research Foundation, SUI Alumni Association, SUI Facilities Corporation, SUI Foundation, ISU Research Foundation, ISU Foundation, ISU Alumni Association, ISU Memorial Union, ISU Press, UNI Foundation and UNI Alumni Association in December 1994; and ISU 4-H Foundation in February 1995.

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The annual report and financial information of the SUI Measurement Research Foundation is on file at the Board Office.

ACTION: President Berenstein stated the Board received the report on the affiliated organization, by general consent.

REDUCTION IN FORCE POLICY FOR FACULTY OF THE IOWA SCHOOL FOR THE DEAF AND THE IOWA BRAILLE AND SIGHT SAVING SCHOOL. The Board Office recommended that the Board approve the reduction in force policy and procedures for the faculty at ISD and IBSSS, as presented.

The Code of Iowa Chapter 262.9 requires the Board of Regents to function similar to a local school board in regard to the termination of contracts for teachers at ISD and IBSSS.

The proposed policy was reviewed by the Attorney General's Office as well as with faculty members and advisory committees at each institution.

Under the proposed policy a superintendent may recommend to the Board a reduction in force including reasons why the reduction is needed. The superintendent's recommendation to the Board will include identification of the lay-off unit and a plan for ranking teachers within the unit based on the appropriateness of certification and endorsement, seniority, performance, experience at a designated teaching level or area and ability to sponsor extracurricular activities.

Teachers who would be affected by the reduction in force are afforded opportunity for a hearing before the Board in accordance with procedures prescribed in the Code.

An affected teacher who is not in probationary status may appeal the decision of the Board to a third-party adjudicator.

The decision of the adjudicator may be appealed by either party to district court.

The policy provides teachers who are laid off and who are not in probationary status with reemployment rights for up to two years to vacancies of more than 30 calendar days' duration.

Director Barak stated that several years ago the Board of Regents received an adverse court decision. The decision, in part, recommended that the Board develop a reduction in force policy for the special schools. School officials and the Board Office have been

working on a policy for a couple of years. He noted that University of Iowa Associate Director Small had assisted in that effort which was deeply appreciated. He said the policy would provide an appropriate balance of flexibility in applying the policy yet with some necessary specificity.

Regent Hendricks said she felt it was very important that the Board instruct Superintendent Thurman, Iowa Braille and Sight Saving School, to identify the lay off unit. He should not give in to the request of faculty to define the unit as the institution.

Superintendent Thurman responded that the 30 faculty members should be encouraged to get retraining. If some flexibility is not provided, professional development incentives will be destroyed.

Regent Hendricks stated that Superintendent Thurman should be in position to define the unit.

MOTION: Regent Hendricks moved to approve the reduction in force policy and procedures for the faculty at ISD and IBSSS, as presented. Regent Furgerson seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

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

Resignation of Ann Sloan, Clerk II, effective March 17, 1994/

MOTION: Regent Johnson-Matthews moved to ratify personnel transactions, as presented. Regent Furgerson seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

FACULTY APPEAL. The Board Office recommended the Board sustain the decision of President Curris upholding the decision denying reappointment of Patricia Hughes.

This was an appeal of a decision by President Curris based on the written record.

Dr. Patricia Hughes was an untenured Assistant Professor in the College of Humanities and Fine Arts in the Department of Music at the University of Northern Iowa.

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Dr. Hughes' appointment was terminated by the university and she subsequently appealed her termination through Article 11 of the UNI-United Faculty and the Board of Regents' Collective Bargaining Contract.

James P. O'Grady was subsequently selected by the parties as the arbitrator for Dr. Hughes' appeal and the case was heard on January 7, 1993, and June 24, 1993. Mr. O'Grady rendered his non-binding decision on August 20, 1993. Mr. O'Grady's decision indicated that the university's termination of Dr. Hughes violated aspects of the Collective Bargaining Agreement. In his decision, Mr. O'Grady proposed that the situation be remedied by restoring Dr. Hughes to her probationary track for 1993-94 academic year to complete a mentoring process as earlier proposed by the University of Northern Iowa Administration and that the results of the mentoring be taken into consideration in subsequent evaluations of Dr. Hughes.

Pursuant to Section 11.63 of the Collective Bargaining Contract, President Curris reviewed the arbitrator's advisory decision and rejected the recommendation of the arbitrator thus sustaining the decision denying reappointment of Dr. Hughes.

Dr. Hughes requested an appeal for review by the Board of Regents of the decision by President Curris. Dr. Hughes requested that the arbitrator's remedy be reinstated with modification. She requested that she be restored to her probationary track position for the 1994-95 academic year and receive back pay for the 1993-94 academic year. In addition, a mentoring process should be completed and the final evaluation of the mentor(s) be given great weight by the Provost. Dr. Hughes asked that the faculty members from the Music Department who are unable to set aside feelings of personal hostility against her not vote on the issue. Lastly, Dr. Hughes requested a good faculty effort to assure a fair and objective evaluation for 1994-95.

The only issue before the Board of Regents at this time was whether the president followed the procedures established by the Collective Bargaining Agreement. A review of the procedures contained in Section 11.6 of the Collective Bargaining Contract indicated that President Curris followed the procedures of the Collective Bargaining Agreement.

The review of this matter included all materials submitted by counsel for Dr. Hughes and that submitted by the university including Dr. Curris' decision.

The Attorney General's Office assisted in the preparation of this recommendation.

Director Barak stated that within the last few days the Board Office had received a request that the Board hold an open hearing with presentations by various individuals.

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Mr. Richey stated that notice was given to both sides that this matter would be heard on the written record. The request for an oral hearing came in yesterday. The Board Office informed the faculty member that the request would be presented to the Board of Regents. Mr. Richey did not recall an oral hearing taking place in the history of the Board of Regents and recommended that the Board consider the matter on the written record, as is usual practice. He noted that the recommendation was based on advice of counsel.

President Berenstein asked if the Regents were in any jeopardy if they declined to hold an oral hearing. Mr. Richey responded that he did not believe they were. Also, the request for oral hearing was not timely.

Regent Hendricks stated that Chapter 17A of the Code of Iowa requires an appeal to be filed within a certain number of days.

Mr. Richey stated that an oral hearing would tie up considerable time of the Board in the future if it changed its policy.

Director Barak stated, in order to give the Regents a sense of the amount of time involved in an oral hearing, that the hearing in this case before the arbitrator lasted 2-1/2 days. It was quite time consuming and involved the calling of witnesses.

President Berenstein stated that if the Board departs from its usual practice, it will get in a precedent position where everyone will want an oral argument and they would be hard pressed to deny those requests.

MOTION: Regent Collins moved to not grant an oral hearing. Regent Tyrrell seconded the motion.

Regent Dorr stated that he would abstain from all votes on this matter because he was familiar with the party involved.

VOTE ON THE MOTION: Motion carried with Regent Dorr abstaining.

President Berenstein asked that the Regents address the substance of the appeal.

MOTION: Regent Furgerson moved to sustain the decision of President Curris upholding the decision denying reappointment of Patricia Hughes. Regent Tyrrell seconded the motion.

Regent Hendricks asked if everything was timely on the part of the university administration. Director Barak responded affirmatively.

VOTE ON THE MOTION: The motion carried with Regent Dorr abstaining.

REPORT ON MEETING OF THE HIGHER EDUCATION STRATEGIC PLANNING COUNCIL. The Board Office recommended the Board receive the report.

The Strategic Planning Council met on March 4, its first meeting since last spring.

The primary item of discussion was the future of the Council given the prospect of likely termination of funding by the legislature. It was decided that the group should proceed with the development of its annual report and recommendations to the legislature. The annual report may recommend that the planning function be given to the Iowa Coordinating Council for Post-High School Education.

ACTION: This report was received by consent.

STATUS REPORT ON BOARD OFFICE BUDGET FOR FISCAL YEAR 1994. The Board Office recommended the Board receive the report.

Projected expenditures and income based on expenditures and encumbrance through February are quite similar to the estimates presented to the Board at its February meeting. Estimated expenditures for salaries and wages are in line with the approved budget for the current year. Projections for other operating expenditures show an increase of about \$23,000 over the original budget for increased travel expense for Board members, higher than expected outlays for office supplies and printing and for office equipment.

The higher expenditures for Board Office travel relate to an increase in the number of trips required for Board governance. These expenditures are offset by additional income from the institutions reimbursing the office for the cost of the trips.

ACTION: This report was received by consent.

BOARD MEETINGS SCHEDULE. The Board Office recommended the Board approve the Board Meetings Schedule.

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April 20-21, 1994	Iowa Braille and Sight Saving School	Vinton
May 18-19	University of Northern Iowa	Cedar Falls
June 14-15	University of Iowa	Iowa City
July 20-21	Iowa State University	Ames
September 20-21	University of Northern Iowa	Cedar Falls
October 19-20	University of Iowa	Iowa City
November 16-17	Iowa State University	Ames
December 14-15	To Be Determined	Des Moines
January 18, 1995	Telephonic	
February 15-16	University of Northern Iowa	Cedar Falls
March 15-16	Iowa State University	Ames
April 19-20	University of Iowa	Iowa City
May 17-18	Iowa School for the Deaf	Council Bluffs
June 21-22	University of Northern Iowa	Cedar Falls

ACTION: The Board Meetings Schedule was received by consent.

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

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, March 16, 1994.

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

Register of Personnel Changes for the month of January 1994.

MOTION: Regent Johnson-Matthews moved to ratify personnel transactions, as presented. Regent Furgerson seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

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

PERMISSION TO PROCEED WITH PROJECT PLANNING

University Hospitals and Clinics--Boyd Tower Clinical Microbiology Unit Development

All microbiology and virology clinical testing at University Hospitals is performed by the Clinical Microbiology, Virology and Special Microbiology Laboratories, which are operated by the Department of Pathology. The Clinical Microbiology Laboratory is located on the fifth level of the Carver Pavilion and the Virology and Special Microbiology Laboratories are located in the College of Medicine's Medical Research Center building.

This project will provide for renovating the former operating room facilities located on the sixth floor of Boyd Tower to permit the expansion and consolidation of these laboratories and the creation of an integrated "Microbiology Unit." There are several major benefits that will be achieved by relocating and merging these laboratories. First, and of primary importance, the relocation of the clinical functions of the Special Microbiology and Virology Laboratories to the Boyd Tower will place these laboratories in closer proximity to the patients, physicians and other health professionals who require and utilize their services. Although these laboratories can communicate results

through the University Hospitals computer information system, transportation of specimens and verbal interactions to discuss testing and patient concerns are now more difficult due to the remote locations of these laboratories, and would be more efficiently and effectively accomplished closer to the patient care units.

A second benefit is that through consolidation opportunities will be significantly enhanced to improve operational efficiency. There are a number of similar laboratory functions that, through consolidation, will result in reduced operating costs. Similar laboratory equipment can be shared to reduce aggregate capital equipment expenditures. A consolidated specimen procurement and processing function will result in lower staffing and supply expenses. Cross-training and sharing of staff will allow for more efficient use of personnel and reduce the number of FTEs required to maintain the level of service and quality provided. Finally, fewer supervisory positions will be needed to oversee and direct the laboratories' operations.

Third, in the most recent accreditation visit by the College of American Pathologists in November 1993, the Special Microbiology Laboratory and Virology Laboratory (located in the Medical Research Center) were cited as having inadequate and inconveniently located space that could have a negative impact on the quality of the laboratories' testing and the safety of laboratory personnel. Special Microbiology was also cited for lack of technical work bench space, shelf storage space, storage space for consumable supplies, and the general condition of the laboratory (Medical Research Center) facility. All of these deficiencies can be resolved by relocation into expanded laboratory facilities.

Finally, the relocation of the Clinical Microbiology Laboratory will permit the much needed expansion of several other clinical laboratories that now adjoin the Clinical Microbiology Laboratory on the fifth level of the Carver Pavilion. This will include expanding the space assigned to the Immunopathology, Histopathology and Cytology Laboratories to resolve these laboratories' present lack of adequate space for laboratory equipment, technical work benches and general storage. The relocation of the Special Microbiology and Virology Laboratories will also free approximately 2,200 gross square feet of space in the Medical Research Center which the College of Medicine can reassign to other functions.

The development of a consolidated "Microbiology Unit" on the sixth level of Boyd Tower is the only alternative that will provide sufficient space in contemporary facilities that are needed to resolve the present deficiencies and permit opportunities for greater operational efficiency.

It was estimated that the construction cost for this project will be approximately \$1,700,000. Cost figures will be further developed and refined as project planning proceeds.

This project will be funded through University Hospital Building Usage Funds. No State capital appropriated dollars or bonding will be involved.

PROJECT DESCRIPTIONS AND BUDGETS

University officials submitted five new projects for approval by the Board.

Hawkeye Storage Parking Lot \$599,100
Source of Funds: Parking System Reserves

Preliminary Budget

Design, Administration, Construction Observation	
Consultant	\$ 61,920
Architect/Engineering Services	9,980
Construction	479,240
Contingencies	<u>47,960</u>
	<u>\$ 599,100</u>

University officials requested approval of a project description and budget for the construction of a 500 stall, long-term storage parking lot in the Hawkeye Park area west of Mormon Trek Boulevard. The parking area is needed because parking on the west campus has been eliminated due to building construction and other campus land improvements.

Paving will consist of an asphaltic concrete parking area with concrete drives. Associated work will include electronic security equipment, bus stop/security structure, storm water management and landscaping. This project will be constructed in conjunction with the proposed Service Park Drive project which will provide access to the parking lot.

University Hospitals and Clinics--Multidisciplinary Faculty and Staff Office Development \$543,535
Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 447,350
Contingency	44,735
Architectural and Engineering Support	29,080
Planning and Supervision	<u>22,370</u>
Total	<u>\$ 543,535</u>

University officials requested approval of a project description and budget for the finishing of approximately 5,300 gross square feet of shell space on the fifth level of the Pappajohn Pavilion. The project will develop 17 new offices and a conference room for faculty and staff associated with the John and Mary Pappajohn Clinical Cancer Center. The project will also provide ten staff offices and a classroom for the Critical Care Nursing Division of the Department of Nursing.

The work to be accomplished includes the installation of walls, door frames and doors, plumbing fixtures, casework, finish materials, and mechanical, electrical, fire protection and communications systems.

University Hospitals and Clinics--Ob/Gyn Clinic Exam Room and \$501,780
Corridor Refurbishing

Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 406,300
Contingency	40,630
Architectural and Engineering Support	34,535
Planning and Supervision	<u>20,315</u>
Total	<u>\$ 501,780</u>

University officials requested approval of a project description and budget to refurbish and expand the west portion of the Department of Obstetrics and Gynecology ambulatory care clinic facilities on level four of Boyd Tower. The project will remodel 15 examination rooms, three patient treatment rooms, four consultation rooms, two patient rest rooms, two staffing rooms, two utility rooms and a laboratory and staff locker room. The clinic corridors will also receive new finish materials.

Work to be accomplished includes demolition, and the installation of walls, door frames and doors, plumbing fixtures, casework, and finish materials, and modifications to mechanical, electrical and communications systems.

Iowa Memorial Union--Footbridge Repairs \$398,800

Source of Funds: Building Renewal or Income from Treasurer's
Temporary Investments

Preliminary Budget

Design, Inspection and Administration	
Consultants	\$ 37,203
Architect/Engineering Services	9,297
Construction	321,300
Contingencies	<u>31,000</u>
 TOTAL	 <u>\$ 398,800</u>

University officials requested approval of a project description and budget for the renovation of the Iowa Memorial Union Footbridge.

The footbridge was constructed in 1934 according to plans developed by the University's Department of Grounds and Buildings. The three-span bridge crosses the Iowa River and provides a vital pedestrian link between the east campus and the Iowa Center for the Arts. The bridge also acts as a corridor for steam and telecommunications distribution across the river. The bridge is 424 feet long and rests on two concrete piers in the river and two elevated abutments at each river edge.

Two previous reviews of the bridge, by N. L. Ashton in 1973 and by Shoemaker & Haaland in 1986, reported various deficiencies, including deteriorating concrete and steel, which have been corrected. A recent inspection by Shive-Hattery Engineers and Architects indicates that rusting and deterioration of major support girders, concrete piers, and deck require immediate attention.

Recently, it was determined that ramps could be added to the bridge approaches to provide access for wheelchair traffic, and these ramps have been included in the project.

Vice President True stated that the foot bridge is a major access to the campus. It will be closed for much of the summer. University officials will make sure that adequate notice is given to the campus prior to closing of the bridge. The construction project

will include access for disabled individuals for whom the foot bridge is now inaccessible.

Engineering Building--Remodel College Administrative and Student Services Areas \$317,410
 Source of Funds: Building Renewal

Preliminary Budget

Design, Inspection and Administration	
Consultants	\$ 36,910
Architect/Engineering Services	11,450
Construction	244,550
Contingencies	<u>24,500</u>
TOTAL	<u>\$ 317,410</u>

University officials requested approval of a project description and budget for the renovation of the administrative office of the College of Engineering. The project will renovate approximately 3,350 square feet of space, including 1,690 square feet for the administrative office area and 1,660 square feet for the student services and career services areas. The condition and configuration of these areas are deficient. This project will bring these spaces up to current standards of appearance and functionality.

The project includes the demolition of walls, plumbing, and electrical systems; asbestos abatement (where required), construction of new walls, doors, carpet, ceiling lighting; construction of casework; and installation of appropriate data and communications wiring. Work in the administrative area will also include the repair or replacement of nine exterior windows and the required ductwork and diffusers to interact successfully with the Engineering Building, Replace Air Conditioning Systems project.

The university will return to the Board at a future date with a recommendation to approve the selection of Stouffer and Smith Architects, Des Moines, Iowa, to provide design services for the project.

University officials presented the following revised project budget:

<u>Engineering Building--Replace Air Conditioning Systems</u>	Original Budget <u>\$235,000</u>
Source of Funds: Building Renewal	Revised Budget <u>\$340,000</u>

Project Budget

	Original Budget <u>August 1993</u>	Revised Budget <u>March 1994</u>
Design, Inspection and Administration		
Consultants	\$ 2,600	\$ 6,100
Architect/Engineering Services	25,400	37,190
Construction	188,464	282,610
Contingencies	<u>18,536</u>	<u>14,100</u>
 TOTAL	 <u>\$ 235,000</u>	 <u>\$ 340,000</u>

University officials requested approval of a revised project budget in the amount of \$340,000, an increase of \$105,000, for the replacement of failing air conditioning systems in the Engineering Building.

The revised budget is required due to the failure to adequately anticipate the complexity of the work involved in this project. Complexities include duct routing complications, preserving appropriate soundproofing conditions in the radio studio area, and the difficulty of accessing adequate electrical service within the building.

Four bids were received for this project on January 27, 1994, all of which exceeded the initial project budget. Approval of the revised budget will allow award of the construction contract to the low bidder in the amount of \$278,000.

University officials reported 21 new projects with budgets of less than \$250,000. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university.

ARCHITECT/ENGINEER AGREEMENTS

<u>West Campus Steam Distribution Improvement and Extensions</u>	<u>\$202,500</u>
Shive-Hattery Engineers and Architects, Inc., Iowa City, Iowa	

The agreement has been negotiated for a fee of \$202,500, including reimbursables. Sub-consultants include Hansen Lind Meyer of Iowa City and Stanley Consultants of Muscatine, Iowa.

Hawkeye Storage Parking Lot \$61,200
Shive-Hattery Engineers and Architects, Inc., Iowa City, Iowa

University officials requested approval to enter into an agreement with Shive-Hattery Engineers and Architects to provide design services for this project. Shive-Hattery prepared the construction documents for the Service Park Drive project which will provide access to the parking lot. The firm has assisted the university with similar surface parking projects and is familiar with the construction requirements of this area.

The agreement provides for a fee of \$61,200, including reimbursables.

University Hospitals and Clinics--Ob/Gyn Clinic Exam Room and Corridor Refurbishing \$39,385
Hansen Lind Meyer, Inc., Iowa City, Iowa

University officials requested approval to enter into an agreement with Hansen Lind Meyer to provide design services for the project.

The agreement provides for a fee of \$39,385, including reimbursables.

University Hospitals and Clinics--Multi-Disciplinary Faculty and Staff Office Development \$33,150
Hansen Lind Meyer, Inc., Iowa City, Iowa

University officials requested approval to enter into an agreement with Hansen Lind Meyer to provide design services for the project.

The agreement provides for a fee of \$33,150, including reimbursables.

Amendments:

University Hospitals and Clinics--Shipping and Receiving Facility Office and Mechanical/Electrical System Development Amendment #1 \$9,150
Hansen Lind Meyer, Inc., Iowa City, Iowa

University officials requested approval of Amendment #1 in the amount of \$9,150 to the agreement with Hansen Lind Meyer. The amendment will provide expanded services

including redesign of the central office area, addition of Tumor Registry, additional heating, ventilating and air conditioning, and stack area deletion. The additional services will not increase the project budget scope.

Amendment No. 1 will not result in an increase in the total project budget.

Lindquist Center to Bowen Science Building--Install Communications Ducts \$13,500
Shive-Hattery Engineers and Architects, Inc., Iowa City, Iowa

University Hospitals and Clinics--A Clinical Cancer Center and Topping Out \$ 1,635
of the John Pappaiohn Pavilion
Hansen Lind Meyer, Inc., Iowa City, Iowa

University Hospitals and Clinics--UIHC Child Care Center \$ 1,500
Design Engineers, Cedar Rapids, Iowa

CONSTRUCTION CONTRACTS

Engineering Building--Replace Air Conditioning System \$278,000
Award to: Universal Climate Control, Inc., Coralville, Iowa
(4 bids received)

University officials requested award of the construction contract to Universal Climate Control in the amount of \$278,000.

Four bids were received for this project on January 27, 1994, all of which exceeded the initial project budget. Approval of the revised project budget in the amount of \$340,000 will allow award of the contract to the low bidder, Universal Climate Control.

University Hospitals and Clinics--Development of an Audio and \$607,093
Video Center
Award to: McComas-Lacina Construction Company, Inc., Iowa City, Iowa
(5 bids received)

Burge Hall--Replace Windows, First and Fourth Houses \$254,800
Award to: Swanson Glass, Inc., Des Moines, Iowa
(5 bids received)

CHANGE ORDERS TO CONSTRUCTION CONTRACTS

University Hospitals and Clinics--Development of an
Eye Institute--Shell Deduct \$54,661
McComas-Lacina Construction Company, Inc., Iowa City, Iowa

University officials requested approval of Change Order #26 to the agreement with McComas-Lacina Construction Company for the deduction of \$54,661 from the contract.

This change order will provide a credit for the deletion of 510 feet of domestic water piping. The route and size of the domestic water system was finalized after the Eye Institute project was bid, and the University of Iowa Physical Plant determined the size of piping specified would not meet future demands. Therefore, a credit for deletion of this piping was requested. Future piping installation will take place in a tunnel provided for this purpose.

This change is in accordance with the project scope. Approval of this amendment will not cause an increase in the approved budget.

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Old Capitol Exterior Repairs
Selzer-Werderitsch Construction Company, Inc., Iowa City, Iowa

Vice President True stated that the University Foundation helped support this project to repair the exterior of Old Capitol. They are all very proud of the work.

North Capitol Street Pathway--Construct Pathway
McComas-Lacina Construction Company, Inc., Iowa City, Iowa

Power Plant Improvements--Asbestos Removal
Hayden and Associates, Inc., Memphis, MO

University Hospitals and Clinics--Ambulatory Surgery Center Sixth Operating Room
Mid-America Construction Company of Iowa, Iowa City, Iowa

MOTION: Regent Furgerson moved to approve the university's capital register, as presented. Regent Newlin seconded the motion. MOTION CARRIED UNANIMOUSLY.

APPROVAL OF LEASES. The Board Office recommended the Board approve the following leases:

With ACCEL CATALYSIS for 1,251 square feet of business incubator space in the Technology Innovation Center on the Oakdale Campus at the rate of \$1,141.04 per month for the period commencing April 1, 1994, through March 31, 1995;

With DIGITAL DATA RESOURCES, INC., for 275 square feet of business incubator space in the Technology Innovation Center on the Oakdale Campus at the rate of \$137.50 per month for the period commencing April 1, 1994, through March 31, 1995;

With HEARTLAND BIOTECHNOLOGIES for 1,590 square feet of laboratory and office space in the Technology Innovation Center on the Oakdale Campus at the rate of \$1,285 per month for the period commencing April 1, 1994, through March 31, 1996.

MOTION:

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

AYE: Berenstein, Collins, Dorr, Furgerson, Hendricks, Johnson-Matthews, Newlin, Pellett, Tyrrell.

NAY: None.

ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

RESIDENCE SYSTEM FUND TRANSFER. The Board Office recommended the Board approve the transfer of \$2,906,500 from the Dormitory Surplus Fund to the Improvement Fund.

In 1992, the Board authorized the sale of \$6,325,000 Dormitory Revenue Refunding Bonds, Series S.U.I. 1992, for the purpose of refunding the \$7,500,000 Dormitory Revenue Bonds, Series 1983, outstanding in the principal amount of \$5,800,000 heretofore issued by the Board to defray costs of acquiring, improving and equipping student residence halls and dormitories on the campus of the University of Iowa.

STATE UNIVERSITY OF IOWA

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The remaining principal outstanding on the bonds as of January 1, 1994, was \$5,875,000.

The 1992 bond resolution provides for an annual addition to the Dormitory Improvement Fund of not less than \$600,000, excluding amount for debt reserve of six percent of the principal and interest due in the next fiscal year on outstanding bonds, to be taken from annual operating revenues.

Because this mandatory transfer is not adequate to cover the actual renovation and capital improvement projects planned over the next several years, university officials periodically request transfers from the Surplus Fund to augment the Improvement Fund.

Article III, Section 3.02 (d) of the bond covenant, in designating the Surplus Fund, states that any sums not required to be used to make up deficiencies in any of the foregoing Funds may, at the discretion of the Board, be used to pay any university overhead expenses properly attributable to the operation of the system, be transferred to any of the other special funds, or be used for any other lawful purpose connected with the system as the Board may direct.

University of Iowa officials requested the transfer of \$2,906,500 from the Dormitory Surplus Fund to the Improvement Fund.

This transfer, by moving funds from an undesignated (surplus) category of the voluntary reserve to a category of the voluntary reserves earmarked for improvements, does not affect the total of the voluntary reserves.

Regent Hendricks asked if the dormitory surplus funds were different from voluntary reserves. Vice President True responded that the surplus funds are part of voluntary reserves.

MOTION:

Regent Dorr moved to approve the transfer of \$2,906,500 from the Dormitory Surplus Fund to the Improvement Fund. Regent Collins seconded the motion, and upon the roll being called, the following voted:

AYE: Berenstein, Collins, Dorr, Furgerson, Hendricks, Johnson-Matthews, Newlin, Pellett, Tyrrell.

NAY: None.

ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

PROPOSED AMENDMENTS TO THE BYLAWS, RULES AND REGULATIONS OF THE UNIVERSITY OF IOWA HOSPITALS AND CLINICS AND ITS CLINICAL STAFF.

The Board Office recommended the Board approve the proposed amendment to the By-Laws, Rules and Regulations of the University of Iowa Hospitals and Clinics and its Clinical Staff, effective immediately.

The Board at the February Board meeting requested that the proposed amendments to the UIHC By-Laws be deferred until the March meeting. Two amendments were proposed:

1. The establishment of a standing University Hospital advisory committee subcommittee to provide hospital governance oversight for outreach activities conducted by the UIHC, including joint outreach activities conducted with other health science units.
2. Establishment of a standing University Hospital advisory committee subcommittee to provide hospital governance oversight for the Emergency Treatment Center, with particular regard for interdepartmental and interprofessional activities affecting the patient service and training missions of the ETC.

Regent Dorr asked if the proposed amendments would affect any kind of transition of governance. Vice President Manasse responded that it would not.

MOTION:

Regent Hendricks moved to approve the proposed amendment to the By-Laws, Rules and Regulations of the University of Iowa Hospitals and Clinics and its Clinical Staff, effective immediately. Regent Furgerson seconded the motion. MOTION CARRIED UNANIMOUSLY.

President Berenstein apologized for creating any impression that there was a problem in communication. The problem that he was trying to communicate was that the Regents had not reviewed the proposed amendments prior to the meeting at which they were asked to vote on the amendments and would not be able to vote on them.

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Vice President Manasse accepted President Berenstein's apology. He stated that any bylaws amendments proposed in the future would be provided to the Regents in plenty of time before they would be asked to take action on the amendments.

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

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, March 16, 1994.

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

Register of Personnel Changes for the month of February 1994 which contained four requests for early retirement and two requests for phased retirement.

MOTION: Regent Johnson-Matthews moved to approve the university's personnel transactions, as presented. Regent Furgerson seconded the motion.
MOTION CARRIED UNANIMOUSLY.

APPROVAL OF HONORARY DEGREES. The Board Office recommended the Board approve Iowa State University's request for conferring the Doctor of Humane Letters to George Washington Carver (posthumously) and to Hugh Sidey at the Commencement of May 14, 1994.

Honorary degrees are conferred on persons who have made outstanding contributions in their respective fields--both of the proposed honorees meet this requirement.

President Jischke stated that he was delighted to bring the proposed honorary degrees to the Board for approval. The degrees would be presented during commencement this coming summer. The honorary degree proposed to be granted to George Washington Carver would take place on the 100th anniversary of Mr. Carver's graduation from Iowa State University. The honorary degrees were proposed to be granted to two very deserving recipients. President Jischke recommend strongly the Board's approval.

MOTION: Regent Furgerson moved to approve Iowa State University's request for conferring the Doctor of Humane Letters to George Washington Carver (posthumously) and to Hugh Sidey at the Commencement of May 14, 1994. Regent

Johnson-Matthews seconded the motion.
MOTION CARRIED UNANIMOUSLY.

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

APPROVAL OF PROGRAM STATEMENTS AND DESIGN DOCUMENTS

Curtiss Hall--Brenton Center

University officials presented the schematic design. The schematic design for the project was approved by university personnel. University officials requested Board approval of the design documents and approval to proceed with the project through completion of construction.

Vice President Madden stated that the Brenton Center project was made possible in part by the University Foundation.

PROJECT DESCRIPTIONS AND BUDGETS

University officials submitted three new projects for approval by the Board.

Curtiss Hall--Brenton Center \$1,400,000
Source of Funds: ISU Foundation

Preliminary Budget

Contracts	\$ 718,000
Design Services	105,500
Construction Administration	32,035
University Services	3,000
Miscellaneous	3,000
Landscaping	3,000
Movable Equipment	405,000
Art Work	7,000
Building Automation	11,000
Telecommunications	10,000
Project Reserve	<u>102,465</u>

TOTAL \$ 1,400,000

University officials requested approval of the project description and budget in the amount of \$1.4 million for the remodeling of Curtiss Hall. The project budget was developed based upon to the schematic design prepared by Savage-Ver Ploeg and Associates.

Lake LaVerne Restoration \$353,500

Preliminary Budget

Contracts	\$ 210,000
Design Services	55,000
Construction Administration	12,500
University Services	10,000
Miscellaneous	1,000
Landscaping	26,000
Utility Extensions	10,000
Project Reserve	<u>29,000</u>

TOTAL \$ 353,500

Source of Funds:

FY 1994 General University Funds	\$ 253,500
ISU Foundation	<u>100,000</u>

TOTAL \$ 353,500

University officials requested approval of a project description and budget for the restoration of Lake LaVerne, which is experiencing significant water quality problems due to the shallow depth of the lake bottom.

The scope of work to improve the water quality includes denaturing, excavation, soil disposal, storm water rerouting, aeration system, shoreline restoration, and landscape treatment.

Vice President Madden stated that the lake had silted in to the point where it was in real need of some work.

Armory--Roof and Curtain Wall Replacement \$1,150,000

Source of Funds: Income from Treasurer's Temporary Investments
or Building Repair Fund

Preliminary Budget

Contracts	\$ 960,000
Design Services	56,000
Construction Administration	30,150
University Services	1,000
Miscellaneous	5,000
Project Reserve	<u>97,850</u>
TOTAL	<u>\$ 1,150,000</u>

University officials requested approval of a project description and budget to replace the roof and the north and south curtain walls of the Armory building. The project will also provide required structural repairs to the roof areas. The project will correct continuous water leakage problems which have made many areas of the building nearly uninhabitable.

Rietz Engineering Consultants has provided design services for the roof portion of the project as part of the Armory--Replace Tile Roof project. This project was approved by the Board in May 1992 and the agreement with Rietz Engineering Consultants was approved in July 1992. The university did not proceed with the construction portion of this project due to the inavailability of funding. The construction portion of that project has now been incorporated into this new project.

University officials submitted two revised project budgets for Board approval.

Residence Department--Facilities Water and Wind Damage 1993

Source of Funds: Federal Emergency Management Agency
(FEMA) Grant/Dormitory System Surplus Funds

Original Budget \$ 550,000
Revised Budget \$1,800,000

Project Budget

	Original Budget <u>Sept. 1993</u>	Revised Budget <u>March 1994</u>
Contracts	\$ 49,200	\$ 1,393,480
Design Services	7,800	54,410
Construction Administration		3,600
University Services	98,000	238,605
Miscellaneous		32,015
Utility Extensions	3,000	14,100
Fixed Equipment	181,000	9,125
Movable Equipment	211,000	3,090
Project Reserve		<u>51,575</u>
TOTAL	<u>\$ 550,000</u>	<u>\$ 1,800,000</u>

University officials requested approval of a revised project budget in the amount of \$1,800,000, an increase of \$1,250,000, for the repair of damage to Residence Department facilities which occurred in July 1993.

The initial project budget of \$550,000 was an early estimate of the damage. A large portion of the repair work has now been completed and the university has a more accurate estimate of the damage, which is reflected in this revised budget.

Two residence system items yet to be completed under this project are the repair of two apartments in Maple and Willow Halls, and total replacement of 1,150 square feet of freezer and walk-in cooler space at Maple/Willow/Larch Commons Kitchen. Both items are included in the revised project budget. The university received approval of an agreement with Rietz Engineering Consultants in December 1993 to provide design services for the freezers and walk-in coolers.

Friley Hall--Phase 5 Masonry Improvement
 Source of Funds: Dormitory System Surplus

Original Budget \$150,000
 Revised Budget \$271,000

Project Budget

	Original Budget <u>Sept. 1993</u>	Revised Budget <u>March 1994</u>
Contracts	\$ 122,250	\$ 230,800
Design Services	19,500	19,500
Construction Administration	1,000	2,330
Miscellaneous	1,000	2,000
Project Reserve	<u>6,250</u>	<u>16,370</u>
TOTAL	<u>\$ 150,000</u>	<u>\$ 271,000</u>

University officials requested approval of a revised project budget in the amount of \$271,000, an increase of \$121,000, to allow award of the construction contract.

Three bids were received for this project on February 17, 1994, all of which exceeded the pre-design cost estimate. During the project design, additional deficiencies were discovered which were not apparent at the time the pre-design estimate was prepared.

The bid documents included the base bid and two add alternates. Even though the bids exceeded the pre-design estimate because of the needed additional work, the university believes it will complete the revised project scope in a cost-effective manner. The Dormitory System Surplus fund will provide the additional funding.

University officials presented the following revised project budget for Board ratification:

Hilton Coliseum--Addition for Title IX Compliance

Nov. 1993 Budget \$ 990,000
Revised Budget \$1,062,000

Project Budget

	<u>Nov. 1993 Budget</u>	<u>Revised Budget March 1994</u>
Contracts	\$ 654,000	\$ 863,203
Design Services	99,200	89,700
Construction Administration	19,120	21,270
University Services	40,000	5,000
Miscellaneous	3,000	3,000
Landscaping	6,000	6,000
Fixed Equipment		9,000
Art Work	4,000	5,000
Building Automation	9,000	25,000
Telecommunications	8,000	3,000
Project Reserve	<u>147,680</u>	<u>31,827</u>
TOTAL	<u>\$ 990,000</u>	<u>\$ 1,062,000</u>

The revised project budget in the amount of \$1,062,000 was approved by the Executive Director on March 3, 1994. The revised budget was approved at the university's request to allow award of the construction contract so that the project could proceed.

Approval of the revised project budget allowed the Executive Director to award the construction contract to the low bidder, R. H. Grabau Construction, in the amount of \$786,993. The award included the base bid plus two alternates, which provided for the construction of an additional 3,000 square feet of storage space and exterior flood mitigation work.

ARCHITECT/ENGINEER AGREEMENTS

<u>General Campus Water and Wind Damage 1993</u>	<u>\$28,400</u>
Brown Engineering Company, West Des Moines, Iowa (Engineering Services)	

University officials requested approval to enter into an agreement with Brown Engineering Company to provide design services for the replacement of a flood-damaged condensate line. The damaged line is the service line between the Heating

University officials requested approval to enter into an agreement with Savage-Ver Ploeg and Associates to provide architectural services for design development through construction of the project.

The agreement provides for a fee of \$82,200, including reimbursables.

Amendments:

Gilman Hall--Partial Third Floor Remodeling Amendment #1 \$32,000
Wehner Pattschull and Pfiffner, Iowa City, Iowa

University officials requested approval of Amendment #1 in the amount of \$32,000 to the agreement with Wehner Pattschull and Pfiffner. This amendment will provide design services for a Phase 2 construction package for remodeling space for the Department of Materials Science and Engineering.

Amendment No. 1 will not result in an increase in the total project budget.

CONSTRUCTION CONTRACTS

Friley Hall--Phase 5 Masonry Improvements \$233,130
Specialty Construction Services, Inc., Madrid, IA

University officials requested approval of the contract award in the amount of \$233,130 to Specialty Construction Services.

Three bids were received on February 17, 1994. All bids exceeded the initial project budget of \$150,000. Approval of the revised project budget in the amount of \$271,000 will allow award of the construction contract to the low bidder. The revised budget includes \$230,800 for construction.

The low bidder, Specialty Construction Services, submitted a base bid of \$158,960, which is within the revised construction line item of \$230,800. University officials requested award of the contract for the base bid plus Alternate #1 in the amount of \$47,970 and Alternate #2 in the amount of \$26,200, for a total award of \$233,130. This exceeds the revised construction line item by \$2,330, or 1 percent. The university will utilize funds from the project reserve to fund the contract.

Energy Management System Modernization and Upgrade--
Phase 4, South Campus \$110,040
Award to: L. A. Fulton and Sons, Inc., Des Moines, Iowa
(2 bids received)

Utilities--Increased Chilled Water Capacity--Phase 1--
Cooling Tower No. 8 \$217,499
Award to: Psychrometric Systems, Inc., Lakewood, CO
(5 bids received)

Hilton Coliseum--Addition for Title IX Compliance \$786,993
Award to: R. H. Grabau Construction Company, Inc., Boone, Iowa
(8 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

LeBaron Hall--Supplemental Contract
Story Construction Company, Ames, Iowa

Knapp and Maple Halls--Elevator Modernization
Montgomery Elevator Company, Des Moines, Iowa

Varsity Track Resurfacing
Balsam Corporation, St. Louis, MO

MOTION: Regent Newlin moved to approve the Iowa State University capital register, as presented. Regent Collins seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

APPROVAL OF LEASES. The Board Office recommended the Board approve the following leases:

With ELECTRONIC ENGINEERING COMPANY for its use of 80 square feet of space in the penthouse facility of Science Addition II on the Iowa State University campus at the rate of \$15 per month for the period commencing April 1, 1994, through March 31, 1995;

With the IOWA STATE UNIVERSITY RESEARCH PARK CORPORATION for the university's use of 850 square feet of office space located in the Iowa State

Innovation System at the Iowa State Research Park at the rate of \$1,000 per month for the period commencing April 1, 1994, through March 31, 1995;

With the City of Ames, Story County, and the Iowa Department of Transportation for an agreement for the installation of an improved flood warning system, at a cost to the university of \$23,600 for installation of the system and \$920 per year for operation and maintenance.

MOTION: Regent Dorr moved to approve the leases, as presented. Regent Furgerson seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Collins, Dorr, Furgerson, Hendricks, Johnson-Matthews, Newlin, Pellett, Tyrrell.
NAY: None.
ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

DORMITORY IMPROVEMENT FUND TRANSFER. The Board Office recommended the Board approve the transfer of \$1,450,000 from the Dormitory Surplus Fund to the Improvement Fund.

In 1964, the Board authorized the sale of \$15,000,000 Dormitory Revenue Bonds, Series S.U.I. 1964A, for the purpose of refunding outstanding revenue notes and paying the cost of constructing and equipping dormitories and related facilities at Iowa State University.

The remaining principal outstanding on the bonds as of January 1, 1994, was \$6,790,000.

The 1964 bond resolution, Section 3.02 (d), provides for an annual addition to the Dormitory Improvement Fund of \$300,000, or such higher amount as may be ordered so set aside by the Board, from annual operating revenues.

Section 3.02 (c) provides that when the amount in the Bond Reserve Fund reaches the maximum required level, which is equal or in excess of that amount of principal and interest falling due in any succeeding fiscal year on the then outstanding bonds, the \$200,000 annual addition to the Bond Reserve Fund can be transferred to the Improvement Fund.

Improvement Fund expenditures have increased well above the 1960 need level because of the necessity for improvements, refurbishing and equipment replacement as the housing and food service facilities continue to age; most of the residence halls and food service facilities are older than 20 years.

Expenditures for facility and equipment improvements are required to meet requirements in the areas of fire safety, energy conservation, handicap accessibility and asbestos removal.

Section 3.02 (e), in designating the Surplus Fund, states that any sums not required to be used to make up deficiencies in any of the foregoing funds may, at the discretion of the Board, be used to pay any university overhead expenses properly attributable to the operation of the system, be transferred to any of the other special funds, or be used for any other lawful purpose connected with the system as the Board may direct.

Iowa State University officials requested the transfer of \$1,450,000 from the Dormitory Surplus Fund to the Improvement Fund. As of June 30, 1993, the Surplus Fund had a cash balance of \$5,004,527. As of June 30, 1993, the Improvement Fund had a cash balance of \$325,035.

MOTION:

Regent Furgerson moved to approve the transfer of \$1,450,000 from the Dormitory Surplus Fund to the Improvement Fund. Regent Dorr seconded the motion, and upon the roll being called, the following voted:

AYE: Berenstein, Collins, Dorr, Furgerson, Hendricks, Johnson-Matthews, Newlin, Pellett, Tyrrell.

NAY: None.

ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

AUTHORIZATION REQUEST TO PROCEED WITH PLANNING OF STUDENT

HEALTH CENTER. The Board Office recommended the Board (1) receive the report of the Student Health Center Planning Committee and (2) authorize Iowa State University to proceed with preliminary planning for a new student health center and begin the architect selection process.

At the Board's direction, the university conducted a study of alternative opportunities to provide needed student health services. Prior to that time, the Government of the

Student Body voted to support construction of new student health facility and to have students pay the costs through special fees designated for that purpose.

The Student Health Center Planning Committee completed its work and supports the recommendation to proceed with formal design of a new facility to be built on campus.

The Board Office reviewed the report, evaluated its premises for reasonableness, and examined operating and capital budgeting issues. The proposal to proceed with preliminary planning was recommended.

The detailed program statement, to be submitted per Board Capital Planning Procedures, must justify the specific functions and proposed sizes of related spaces to be housed in the new facility.

The specific recommendations are endorsed by the university administration, the Government of the Student Body and the Graduate Student Senate. They are:

- o The administration should request Board approval to begin formal design of a new health facility, with construction complete by January 1996.
- o The university should continue the present governance system for the Student Health Center.
- o The Student Health Center should continue to contract arrangements for specialty services with private providers.
- o The Student Health Center should explore contractual arrangements for pediatric services when the new facility is completed.
- o South of State Gym is the site preferred by the committee.

University officials tentatively proposed a 29,000 gross square foot facility at an estimated project cost of \$5.9 to \$6.3 million.

In October 1993 the Board authorized imposition of an \$8.00 per semester health facility fee, effective with the 1994 fall term, to finance the costs of a revenue bond issue to construct the proposed facility.

The Student Health Center Planning Committee, which included eight faculty/staff members, six students and one member from the private health care sector, met weekly

from October 1993 to January 1994. The committee set the following guidelines for its work:

- o Meet health care needs and interests of students before addressing those of other constituencies.
- o Keep the facility on campus for accessibility.
- o Control costs of health care now and in the future.
- o Maintain a positive working relationship and choice in referral with the entire medical community.
- o Maintain avenues of redress for student concerns.
- o Keep governance/ownership of student health services within the university community, maintaining student involvement in that governance.
- o Continue preventive services and educational programming that is relevant to student needs.
- o Continue participation in the academic and public health needs of the university.
- o Plan location and building design to allow for flexibility in programs and services.

The committee evaluated proposed solutions by reviewing existing materials including an April 1992 report by Hansen Lind Meyer (external consultant), and reports prepared by the university's Department of Facilities Planning. The committee also solicited and evaluated proposals from regional health care providers, and collected information from university and community members with knowledge of and concern for both community development and health care reform.

The committee reached the following conclusions:

- o A campus-based health facility which provides affordable and physically accessible ambulatory health service is vital to retention of students.
- o The present facility lacks the space necessary to serve the student population in a confidential and efficient manner.

- o The direction of health care reform will be toward primary ambulatory care, prevention, and health promotion.
- o The facility should be flexible in design in order to respond to changing organizational and delivery systems.
- o A need for a modern primary health care facility which is both physically and financially accessible to Iowa State students will exist regardless of health care reform.
- o This is not the time to explore the possibility of association with private health care providers, as there is no financial or functional advantage to near-term involvement, and delay has the advantage of keeping the university removed from unresolved community health care issues.

An alliance with a private provider is a separate issue to the building of an ambulatory facility.

The proposals received from non-university health providers had no observable advantages for student health care that are not now possible through contracted services and improved communication.

The financing of a new on-campus facility is available through a mandatory fee charged to students.

Two campus sites, South of State Gym and East Pammel Court, are acceptable. South of State Gym is preferred. A site location on campus must have potential for expansion. The site selected must be one that students consider accessible both by car and on foot.

President Jischke reviewed with the Regents the history of the university's request to build a student health center. He said the Board requested that university officials conduct a study and report back before designing the facility. The study has been concluded and was distributed to Board members three weeks ago. The study was summarized in the docket materials provided by the Board Office. The university committee which performed the study recommended proceeding with construction of a new facility on campus. President Jischke endorsed the recommendation.

President Jischke then asked Thomas Theilen, who chaired the Student Health Center Planning Committee, to summarize the work of the committee. Following Vice

President Theilen, he asked that Dennis Klein, President of the Government of the Student Body, comment on the students' reactions.

Vice President Theilen stated that the Board Office did an excellent job of summarizing the committee's report in the docket memorandum. Since early-October the committee has met once every week for 2-hour sessions. He said the group has become very informed on health care issues. It performed a thorough review of the present health care environment as well as health care reform considerations. The committee requested and received proposals from regional health care providers. Four of the 7 providers solicited requested meetings with the committee. Past site studies and new site studies were reviewed.

Vice President Theilen summarized the major conclusions of the committee. The committee concluded that association with a private provider will continue to warrant attention and that financing appeared to be in order. Therefore, the committee made its five recommendations.

President Berenstein said his concern from the beginning has been that this country is in the throws of national health care reform. He understands that the emphasis will be on family practice, gate keepers, etc. He questioned whether the university was premature in planning to build a new health facility since, more than ever, health care issues are up in the air. He was not unmindful of the fact that a new building was necessary but by the same token they should be prepared for the result of national health care reform. Are they premature in going forward with the university's recommendation?

Vice President Theilen stated that the university committee members talked with 4 or 5 private providers. Those providers believe that no matter what the results of health care reform, there is still going to be a need for a facility that is accessible to students.

President Berenstein asked if Vice President Theilen was saying that regardless of the result of health care reform, there will remain the need for a facility; that any one of the proposed health care reform programs could fit into the facility. Vice President Theilen said that was correct.

Regent Collins said he thought it was clear that the presence of a health care facility is needed on the campus. The question then became whether the university has to provide the facility. He believes those various avenues were explored by the committee. After reviewing all the materials, he now strongly supported the university's recommendation. He believes there is no feasible alternative.

President Berenstein mentioned an article he read in the Iowa State Daily concerning Mary Greeley Hospital, its board of trustees, etc. He said he assumed that regardless of what happens to Mary Greeley Hospital, the university plans to go forward with what is best for the Iowa State University students.

President Jischke said that was correct.

Regent Collins noted that the university committee worked with Mary Greeley representatives.

Regent Dorr stated that he still had some reservations. He felt it was premature to embark on a building project. He questioned the extensiveness of the consideration of alternatives and said he was not convinced that they have to have a presence on campus. Many things are going to change. He was not certain that it was a wise policy decision to embark on another multimillion dollar building project. He felt they should wait 1 to 2 years.

Regent Hendricks stated that when she visited the current health care facility last July she felt like Regent Dorr feels. She had urged that as they went forward they see how the reform issues play out at the national level. She was now convinced that with the uncertainty of what will happen in the next 10 to 15 years in national health care reform, that they cannot afford to wait. She thinks the committee did an admirable job with the study and report.

Regent Tyrrell stated that he has talked with President Jischke about the proposed facility. He is extremely restless about what is happening in legislative arenas at both the state and federal levels. The Governor's and President's health care reform plans are in serious trouble. He thinks they should go ahead with the best information available at this time at the university level. They may regret having moved forward with this project but that will be no one's fault because of exterior forces. He will support the university's recommendation but with serious reservations because of the tremendous political implications.

President Berenstein said he was concerned about what is happening in the Iowa legislature. The health care reform proposal that was passed was not necessarily the policy adopted by the health care commission. The proposal passed on a 26 to 24 vote. However, he has to rely on the assurance of university officials that the building can adapt to whatever happens with health care reform.

MOTION:

Regent Newlin moved to (1) receive the report of the Student Health Center Planning Committee

and (2) authorize Iowa State University to proceed with preliminary planning for a new student health center and begin the architect selection process. Regent Johnson-Matthews seconded the motion.

President Berenstein recognized Dennis Klein. He said this was Mr. Klein's last meeting as an Iowa State University student representative. He had requested time to make a few comments at this meeting.

Mr. Klein stated that he wished to first speak to the issue of the student health center. He said that as president of the student body, he has spent an enormous amount of time battling any type of increase in the cost of attending Iowa State University. However, the students at Iowa State need a new health center and, for practical reasons only, are willing to pay for it. He said there is a tremendous and immediate need for the center. He explained the current situation that students encounter when visiting the health center.

Mr. Klein acknowledged it was unlikely that the State would pay for the health center. He said that any attempt to persuade the State to do so would be futile and would only extend the time students would be forced to attend the university with an inadequate health facility. The students chose to attack the problem themselves by supporting the plan for a desperately needed new health center ideologically as well as financially.

Mr. Klein stated that what was needed now was for the Board of Regents to approve the proposal, thus allowing the construction of a facility the students want, need and are willing to pay for. Both students and the university administration came to the Board united in support of the proposal. He asked for the Regents' trust in their judgment, that they realize the severity of the situation and grant their approval to what will become a successful joint student-administrative venture.

Regent Tyrrell stated that he appreciated the time the students and university administrators had committed to this study.

VOTE ON THE MOTION: Motion carried unanimously.

Mr. Klein stated that as the last year has progressed, he has been forced to make decisions of all sorts concerning the welfare of students at Iowa State University. Those decisions have taught him a very important lesson. A fancy position or title contains in and of itself no inherent power or special insight on any issue. The power one attains is directly proportional to the amount of legitimate and accurate information one is able to gather.

Mr. Klein thanked President Berenstein and the Board of Regents for the changes in the functioning of the Board this year. He believes the Regents have not only listened to but heard students. Although he did not agree with all of the decisions made by the Board of Regents this year, he appreciated their willingness to explain their decisions. With an open line of communication, students and the Board of Regents made the best decisions for the benefit of Iowa State University as a whole.

Mr. Klein stated that it had been a great honor representing the Iowa State University students. They all need to be constantly reminded of the caliber of student our State produces. Employers world wide seek possible employees from this state because we are hard working honest people who strive for and take pride in perfection. When dealing with students, the Regents must remember that they are dealing with hard working intelligent young men and women who have a great deal of insight and understanding of what is going on around them.

Mr. Klein thanked the Board for its commitment to higher education. He strongly supports the ideal that any decision they make as leaders should be based on the merits of the issue at hand and not on who is presenting the arguments.

With regard to his personal feelings as student body president, Mr. Klein thanked the Board as well as President Jischke and his administration for extending him the respect and attention that student representatives deserve but have not always seen in the past. The Regents should be proud of what they do and always remember and take to heart the quality of the students the Regents' decisions so directly affect.

IOWA STATE UNIVERSITY BROADCASTING CORPORATION BOARD OF DIRECTORS. The Board Office recommended the Board approve the appointment of Warren R. Madden, Vice President for Business and Finance, to the Board of Directors of the Iowa State University Broadcasting Corporation effective immediately, and approve in the sequence indicated, the following names for appointment to the Board of Directors should vacancies occur in the existing 9 member Board.

Jean W. Adams, Associate to the President
John J. Kozak, Provost
Martin C. Jischke, President
Paul Tanaka, Director of University Legal Services.

A vacancy exists on the Iowa State University Broadcasting Corporation (ISUBC) Board. University officials proposed that Warren Madden fill the existing vacancy left

by the resignation of Harry Slife. They proposed a list of other individuals who would assume positions on the board if additional vacancies occur.

Each of the individuals proposed for possible membership on the ISUBC Board holds an administrative position at the university.

President Jischke extended the university's appreciation to Mr. Slife for his service to the university. He stated there is still business for Iowa State University Broadcasting Corporation. It needs a functioning board. Due to the possibility that other members of the board might tender their resignations, President Jischke asked for approval of a list of other individuals who would assume positions on the board if additional vacancies occur in order that business can be conducted in a timely manner.

President Berenstein stated that he preferred to vote on Mr. Madden's appointment and that as other vacancies occur the Board, by telephone, can act on the appointments.

MOTION:

Regent Dorr moved to approve the appointment of Warren R. Madden, Vice President for Business and Finance, to the Board of Directors of the Iowa State University Broadcasting Corporation, effective immediately. Regent Collins seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

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

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday, March 16, 1994.

RATIFICATION OF PERSONNEL TRANSACTIONS. The Board Office recommended the Board approve the university's personnel transactions, as follows:

Register of Personnel Changes for the month of February 1994.

MOTION: Regent Johnson-Matthews moved to ratify the university's personnel transactions, as presented. Regent Furgerson seconded the motion.
MOTION CARRIED UNANIMOUSLY.

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

APPROVAL OF PROGRAM STATEMENTS AND DESIGN DOCUMENTS

Price Laboratory School--Field House Replacement

The Field House Addition to the Price Laboratory School was destroyed by fire in June 1993. Demolition and clean-up of the debris has been completed and the university is proceeding with plans to construct the replacement facility. The field house is very important to the university's teacher education programs in physical education, health education and coaching, as well as for physical education, health, wellness and athletic programs for the students attending the Price Laboratory School.

University officials presented the program statement and schematic design documents for this project Board approval. The replacement facility will be constructed in the same location as the original field house and will become an integral part of the existing school building. The field house will be designed to continue to serve as a multi-purpose facility. The open field house area will include four basketball courts (three practice and one competitive), five volleyball courts (four practice and one competitive), 1,400 bleacher seats, a running track with long jump pit, nine badminton courts, a multi-

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purpose area, and divider curtains to provide multiple instructional spaces. The remainder of the new field house area will house support spaces including the lobby, ticketing and concession areas, rest rooms and storage space, as well as space designated for weights, aerobics and classroom activities.

The facility will contain 26,830 gross square feet with an assigned area of 22,720 square feet, for a net-to-gross ratio of 85 percent. The original field house contained 28,800 gross square feet of space. The design of the new facility includes the conversion of inefficient activity space into more usable space better suited to current programs. An elevator and ramp, which were not available in the original facility, are included to provide better access by disabled persons. A clear ceiling height will be maintained as existed in the original field house. The exterior body of the building will be brick with accent materials to match the existing building.

The following is a breakdown of the floor area:

Open Field House	17,384 square feet
Weights/Aerobics/Classroom	3,359 square feet
Rest Rooms, Concessions, Support/Storage, Tickets	2,342 square feet
Corridors, Elevator, Mechanical/ Custodial Areas	<u>3,745 square feet</u>
TOTAL	26,830 square feet

A brochure explaining the schematic design of the facility as prepared by the project architects was included with the docket materials for Board members' review.

The university does not expect the building design to change significantly from the design to be presented. Contingent upon approval of the schematic design, the university requests that the Board waive further design reviews. Should significant design changes become necessary, the university will request another opportunity to present the plans to the Board.

Vice President Conner introduced Al Oberlander of RDG Bussard Dikis.

Mr. Oberlander provided some background on the project and then explained the schematic design. In June 1993 a fire destroyed the field house. Several years before the fire a firewall was installed and that saved the remainder of the school. He

discussed the site and the floor plans. The architects decided on the original site of the field house and to include functions similar to what was in the original building. The rest rooms will be larger than the originals. The building will house 1,400 telescoping seats which is equal to the original field house. He said the exterior of the building is designed to blend in with the original structure. Translucent material will be used to provide diffused lighting. The construction costs account for \$2.1 million of the \$2.75 million budget. The building is 85 percent efficient net to gross. Construction is scheduled to begin in September 1994 with completion in August 1995.

President Berenstein stated that he endorsed retention of the laboratory school but had some concerns about the field house duplicating facilities provided by the Wellness Center and the UNI-Dome. He asked if any thought had been given to consolidation of some of these activities. They were proposing a weight room and a track in the field house which would also be available in the Wellness Center. He asked if university officials had made a good faith effort to consolidate the facilities provided in the various buildings. Do they need a Wellness Center to provide some of the same activities that will be provided in the field house?

President Curris stated that consolidation issues are being discussed and will continue to be discussed. University officials want to eliminate any unnecessary duplication. He said the big issue is preparation of teachers. A recreational space is part of the process by which teachers learn to work with youth of various ages particularly elementary school students. The duplication that exists is necessary for the activities to be occurring simultaneously in terms of elementary physical and health education and the observance of these activities. He discussed the duplication of the weight rooms and said the choice was made to go with multi-purpose rooms. The new field house facility will be 2,000 square feet less than the original field house. He said there has been made a good faith effort on the part of university officials.

President Berenstein asked if President Curris was saying that they cannot use the Wellness Center for activities of the laboratory school. President Curris responded that university officials had considered that option but determined it was not educationally sound to transport elementary school students across campus.

Regent Tyrrell stated that he had some of the same concerns as President Berenstein. How often would they need to seat 1,400 people in the field house facility?

Vice President Conner responded by providing examples of different state high school and intercollegiate activities that are hosted at University of Northern Iowa. Normal attendance at high school games is less than 1,400 but for some events they will need to accommodate 1,400.

University officials responded to Regents' questions about revenues provided to the campus as a result of hosting various high school athletic activities. It was determined that concession revenues stay with the host school but university officials were unsure about possible revenues for the hosting of a state tournament.

Regent Hendricks stated that what was presented was a nice, simple utilitarian design which provided good storage areas and looked great.

PROJECT DESCRIPTIONS AND BUDGETS

University officials submitted a revised project budget for approval by the Board.

<u>Campanile Improvements</u>	Original Budget <u>\$247,000</u>
Source of Funds: Building Repairs	Revised Budget <u>\$520,000</u>

Project Budget

	Original Budget <u>April 1993</u>	Revised Budget <u>March 1994</u>
Contract/Purchase Orders	\$ 206,000	\$ 433,000
Consultant/Design Services	31,000	59,000
Contingencies	<u>10,000</u>	<u>28,000</u>
TOTAL	<u>\$ 247,000</u>	<u>\$ 520,000</u>

University officials requested approval of a revised project budget in the amount of \$520,000, an increase of \$273,000, to reflect an increase in the construction estimate and a change in the project scope.

Bids were received for the construction contract in June 1993. The university received one bid in the amount of \$699,730, which exceeded the engineering estimate and the project budget. The project was reevaluated by an independent cost consultant who confirmed that the engineer's original estimate was low and the single bid was high. The bid was rejected by the university and the project will be re-bid following approval of the revised budget, which reflects a more accurate estimate of the work.

The original project included restoration of the brick and stone building walls. The project scope has been increased to include heating and ventilating improvements,

lighting protection, roofing with a drain at the bell chamber level, and incidental work. This scope change is also reflected in the revised budget.

Regent Hendricks asked if the budget for this Campanile project had doubled. Vice President Conner responded that it had. He stated that in June 1993 the Board approved plans for major repair of the Campanile. He noted that Iowa State University had experienced similar deterioration of its Campanile structure. University officials proposed to utilize deferred maintenance and building repair funds. This project was included in the deferred maintenance projects list.

Regent Dorr stated that one rather consistent occurrence all the way through capital expenditures is that architects come back wanting more money. He said he has experienced that at the local level, also. He was not sure why it works that way but was not convinced that when bids are presented that they fully represent the actual costs. He said he wished there were some way to hold architects to their original bids and asked that university officials let the architects know the somebody on the Board is not happy with the cost overrun.

President Curris replied that university officials were not happy with the additional cost, either. He noted, however, that of the various facilities on the campus needing maintenance repairs, the Campanile was in the most critical condition because of falling bricks, etc.

President Berenstein suggested that if there were more competitiveness among the architects they wouldn't continue to see these incidents of cost overruns. They may need to talk to some of the architects and make them understand that this is not going to be acceptable procedure. An estimate should be more than a guess now and an adjustment later.

MOTION: Regent Furgerson moved to approve the revised budget for the Campanile improvements project.
Regent Johnson-Matthews seconded the motion.
MOTION CARRIED UNANIMOUSLY.

ARCHITECT/ENGINEER AGREEMENTS

Sabin Hall--Windows and Doors \$12,900
Grimes Port Jones Schwerdtfeger, Waterloo, Iowa

University officials presented for Board ratification the construction contract for the above project which was approved by the Executive Director on March 2, 1994. The

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contract was approved at the university's request to allow the architect to begin work on the project so that window installation could be completed by the start of the fall semester. The project budget in the amount of \$260,000 was approved by the Board in February 1994.

Amendments:

Campanile Improvements Amendment #1 \$27,000
Rietz Engineering Consultants, Ames, Iowa

University officials requested approval of Amendment #1 in the amount of \$27,000 to the agreement with Rietz Engineering Consultants. The amendment will provide for revised plans and specifications resulting from the reevaluation of the project and a change in project scope as outlined with the revised project budget. The amendment will also provide construction observation services.

Amendment No. 1 was included in the revised project budget.

Library Addition Amendment #2 \$17,500
Herbert Lewis Kruse Blunck, Des Moines, Iowa

University officials requested approval of Amendment #2 to the agreement. They proposed to provide increased communication network distribution throughout the Library, along with a unified system of power and data distribution and access. Developments in information technologies and projected demands for access to networked, computer-based information have far outstripped the Library's capacity for power and data distribution.

The design will include conduits and cable throughout the building to interconnect various networked resources, numerous dedicated computer work stations, and portable computers for library patrons.

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

Reported for Board Ratification:

Bartlett Hall--HVAC and Windows \$4,000.00
Brooks Borg and Skiles, Des Moines, Iowa

Center for Energy and Environmental Education \$490.81
Wells Woodburn and O'Neill, Des Moines, Iowa

Russell Hall Improvements \$537.50
Durrant Engineers, Dubuque, Iowa

CONSTRUCTION CONTRACTS

Center for Applied Research Technologies in Metal Castings--Art Work \$2,800.00
Award to: Jason Sweet, Cedar Falls, Iowa

Maucker Union--Renovation University Hall--Art Work \$2,850.00
Award to: Loren Sandvik, Cedar Falls, Iowa

1994 Institutional Roads--Jennings Drive \$358,847.89
Award to: Cunningham Construction Company, Inc., Cedar Falls, Iowa
(4 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Library Addition--Asbestos Abatement \$38,736.00
Economy Solar Corporation, Springville, Iowa

FINAL REPORTS

1993 Institutional Roads--Dakota Street, University Avenue \$278,189.14
Pedestrian Underpass and Hudson Road Pedestrian Overpass

MOTION: Regent Furgerson moved to approve the university's capital register, as presented. Regent Dorr seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

CONTRACT AND EASEMENT FOR CABLE COMMUNICATION SERVICE

WESTMARC CABLE HOLDING, INC. The Board Office recommended the Board (1) approve the bulk cable television multiple-unit agreement between the University of Northern Iowa and WestMarc Cable Holding, Inc., and (2) approve an easement agreement between WestMarc Cable Holding, Inc., and the State Board of Regents for the use and benefit of the University of Northern Iowa and WestMarc Cable Holding, Inc., to provide for the construction, installation, operation, maintenance, repair, reconstruction, removal or replacement of cable communication services.

The bulk cable television multiple-unit agreement and the easement have passed review by the Attorney General's Office.

The university will pay \$7.50 per unit per month with the number of units for initial billing/payment purposes being 2,400 units.

Under proposed residence hall rates and fees, university officials proposed a mandatory cable TV access fee of \$41 per academic year, \$10 for the eight-week summer session and \$5 for the four-week summer session for all students living in the residence halls.

Based upon projected occupancy rates this fee will cover the yearly payment.

The television agreement is for an initial period ten years unless the cable company's franchise agreement with the City of Cedar Falls expires sooner.

The agreement will extend for additional periods of one year.

Basic and expanded basic service will be provided to all student rooms and lounges in the residence halls and to the Towers, Campbell, Commons and Reducer Dining Centers.

The charge in the Cedar Falls community to an individual customer is \$26.47/month.

The bulk billing is based on 10 months occupancy; thus, the initial yearly payment is set at \$180,000/year.

The cable company will construct, install and maintain the necessary cable television equipment. The cable company must maintain public liability insurance covering the company's activities and service on the campus, in amounts of not less than \$1 million for injury to any one person, \$1 million aggregate for any single occurrence, and at least \$1 million for property damage.

The university will permit the cable company to market additional services such as pay-per-view and digital music service within university facilities in accordance with university policies.

The university will have exclusive use of at least four cable television channels on the campus-installed internal distribution system. The university will have exclusive use of one channel on the Waterloo and Cedar Falls community cable television distribution system. This use will begin when each community's rebuilt and/or upgraded cable television distribution system is placed in service.

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The cable company will donate up to \$25,000 of equipment as specified by the university so that the university can insert signals on the cable television distribution system, or feed signals from the cable television distribution system to the university's system.

The Cable Company retains title to the cable television distribution system installed under the Agreement. At the end of the original period of the Agreement, the university, at its sole option, at no cost may gain title to all or a portion of the system.

The bulk cable television multiple-unit agreement is contingent upon Board and Executive Council approval of an easement for the purpose of installing, constructing, reconstructing, repairing, replacing, operating, maintaining or removing cables, pedestals and related equipment.

Under terms of the proposed easement, the cable company must restore property and adjacent lands as near as reasonably possible to its prior condition.

Installation of the cable television distribution system will not begin until the cable company and the university agree in writing to all installation places, drawings and materials.

MOTION: Regent Dorr moved to approve the bulk cable television multiple-unit agreement between the University of Northern Iowa and WestMarc Cable Holding, Inc. Regent Collins seconded the motion.

Regent Hendricks asked why the cable company would retain the title. Vice President Conner responded that if the company retains the title it will perform repairs at no cost to the university.

VOTE ON THE MOTION: Motion carried unanimously.

MOTION: Regent Hendricks moved to approve an easement agreement between WestMarc Cable Holding, Inc., and the State Board of Regents for the use and benefit of the University of Northern Iowa and WestMarc Cable Holding, Inc., to provide for the construction, installation, operation, maintenance, repair, reconstruction, removal or replacement of cable communication services. Regent Collins seconded the motion.

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Regent Collins asked if the easement ends with the end of the service. Vice President responded affirmatively, stating that the easement merges into the title.

Regent Tyrrell asked about the statement that the university will pay \$7.50 per unit per month with the number of units for initial billing/payment purposes being 2,400 units. Vice President Conner responded that the bulk connection charge is \$7.50 per unit.

President Berenstein asked if the agreement was costing the university no more than what the university was taking in. Vice President Conner said that was correct.

Regent Hendricks asked if university officials were sure they had gotten the best rates possible. Vice President Conner responded that the rate was the best one among the three Regent universities.

President Berenstein stated that the policy was what the Regents were concerned about.

VOTE ON THE MOTION:

Upon the roll being called, the following voted:

Aye: Berenstein, Collins, Dorr, Furgerson,
Hendricks, Johnson-Matthews, Newlin, Pellett,
Tyrrell.

Nay: None.

Absent: None.

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

IOWA SCHOOL FOR THE DEAF

The following business pertaining to Iowa School for the Deaf was transacted on Wednesday, March 16, 1994.

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

Register of Personnel Changes for February 1994.

MOTION: Regent Johnson-Matthews moved to approve the personnel transactions, as presented. Regent Furgerson seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

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

All of the projects will be funded by building repair operating funds.

Interior Door Replacement, Long Hall \$35,000

This project will address the need to replace all interior doors and associated hardware as cited by the State Fire Marshal in December 1993. The new door system will upgrade the classroom doors to provide an improved fire-rated barrier for each classroom. This project will be processed through the Iowa State University Purchasing Department.

Tuck Pointing and Caulking, Various Buildings \$45,000

This project will address and prioritize the masonry repair needs on the Health Center, Long Hall and Careers buildings. This project will be coordinated through the Iowa State University Department of Facilities Planning and Design.

First Floor Girls Residence--Asbestos Abatement and
New Interior Finishes

\$60,000

This project will abate 4,800 square feet of sprayed-on acoustic ceiling material and will install new interior finishes including paint, carpet, gypsum drywall and draperies. This project will be coordinated through the Iowa State University Departments of Purchasing and Environmental Health and Safety.

MOTION: Regent Collins moved to approve the school's capital register, as presented. Regent Pellett seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

REQUEST FOR APPROVAL OF APPLICATION OF RENEWAL OF COOPERATIVE SPONSORSHIP OF ACTIVITY WITH LEWIS CENTRAL HIGH SCHOOL. The Board Office recommended the Board approve the request of Iowa School for the Deaf to renew a cooperative program agreement with the Iowa High School Athletic Association.

Iowa School for the Deaf officials submitted a request for approval of an application to renew a cooperative program agreement with the Iowa High School Athletic Association. This agreement is one of a number of cooperative activities in which the School is involved which provide the benefits of mainstreaming while maintaining the advantages of a residential education program.

Under this agreement, Iowa School for the Deaf students participate on athletic teams at Lewis Central in sports which are not offered at ISD. These sports include Junior Varsity Football, Soccer, Cross Country, Wrestling, Golf, Tennis, and Swimming.

Iowa School for the Deaf officials indicated that the five or six students a year who participate on Lewis Central teams in each of these sports would not be able to compete if it were not for this agreement.

The agreement was reviewed by the Attorney General's Office.

ACTION: President Berenstein stated the Board approved the request of Iowa School for the Deaf to renew a cooperative program agreement with the Iowa High School Athletic Association, by general consent.

President Berenstein stated that Iowa School for the Deaf officials were to be congratulated for continuing this cooperative effort. It was good for both the school and the community.

SALE OF LAND TO THE CITY OF COUNCIL BLUFFS. The Board Office recommended the Board authorize Iowa School for the Deaf to sell 0.21 acres of land located in Pottawattamie County, Iowa, to the City of Council Bluffs for \$630.00, subject to approval of the Executive Council of Iowa.

Iowa School for the Deaf officials requested authorization to sell 0.21 acres of school land located in Pottawattamie County, Iowa to the City of Council Bluffs.

The City of Council Bluffs intends to reconstruct Valley View Drive north of State Highway 92. A strip of land adjoining the west side of Valley View Drive is needed for a right-of-way. This right-of-way may become the location of a bike trail.

The School's land west of Valley View Drive is presently leased to a farmer. Loss of the right-of-way strip will not impact farming operations.

Loss of the strip will not affect the value of the remaining land nor future uses of it by Iowa School for the Deaf.

Based upon the six-year average farm income, loss of this acreage will reduce Iowa School for the Deaf farm income by less than \$25/year.

State Department of Transportation and federal funds are financing a portion of the project.

Although Iowa Department of Transportation procedures allow the use of comparable land sales to determine the value of property when compensation to the property owner is less than \$2,500, the city agreed to an appraisal of the subject property. Based upon the appraisal, the purchase price for the property is \$630.00 or the equivalent of \$3,000 per acre. The three comparable land sales submitted by the City all showed a value of less than \$3,000 acre.

Approval of the Executive Council is required for the sale.

MOTION:

Regent Newlin moved to authorize Iowa School for the Deaf to sell 0.21 acres of land located in Pottawattamie County, Iowa, to the City of Council Bluffs for \$630.00, subject to approval of the

IOWA SCHOOL FOR THE DEAF
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Executive Council of Iowa. Regent Hendricks seconded the motion, and upon the roll being called, the following voted:

AYE: Berenstein, Collins, Dorr, Furgerson, Hendricks, Johnson-Matthews, Newlin, Pellett, Tyrrell.

NAY: None.

ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

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

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Wednesday, March 16, 1994.

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

Register of Personnel Changes for January 29 through February 26, 1994.

MOTION: Regent Johnson-Matthews moved to approve personnel transactions, as presented. Regent Furgerson seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office stated that Iowa Braille and Sight Saving School officials reported no transactions on its Capital Register.

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

EXECUTIVE SESSION. President Berenstein requested the Board enter into closed session pursuant to Code of Iowa section 21.5(1)(j) to discuss the purchase of real estate where disclosure could reasonably be expected to increase the price for the property, section 20.17(3) to conduct a strategy meeting of a public employer for collective bargaining, and section 21.5(1)(i) upon the request of an employee whose performance was being considered.

MOTION: Regent Johnson-Matthews moved to enter into closed session. Regent Furgerson seconded the motion, and upon the roll being called, the following voted:

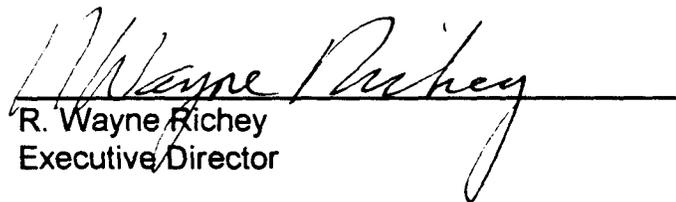
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AYE: Berenstein, Collins, Dorr, Furgerson,
Hendricks, Johnson-Matthews, Newlin, Pellett,
Tyrrell.
NAY: None.
ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 11:30 a.m. on March 16, 1994, recessed therefrom at 12:07 p.m., reconvened at 1:20 p.m. and recessed at 1:43 p.m., reconvened at 1:44 p.m. and adjourned therefrom at 3:02 p.m. on that same date.

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 3:02 p.m., on Wednesday, March 16, 1994.


R. Wayne Richey
Executive Director