

The State Board of Regents met on Wednesday, March 18, 1992, at Iowa School for the Deaf, Council Bluffs, Iowa. The following were in attendance:

March 18

Members of State Board of Regents

|                          |              |
|--------------------------|--------------|
| Mr. Pomerantz, President | All sessions |
| Mr. Berenstein           | All sessions |
| Mr. Dorr                 | All sessions |
| Mr. Fitzgibbon           | All sessions |
| Ms. Furgerson            | All sessions |
| Ms. Hatch                | Excused      |
| Ms. Johnson              | All sessions |
| Dr. Tyrrell              | All sessions |
| Mrs. Williams            | All sessions |

Office of the State Board of Regents

|                                 |              |
|---------------------------------|--------------|
| Executive Director Richey       | All sessions |
| Deputy Executive Director Barak | All sessions |
| Director Smith                  | All sessions |
| Director Volm                   | All sessions |
| Associate Director Neylon       | All sessions |
| Minutes Secretary Briggie       | All sessions |

State University of Iowa

|                                |                      |
|--------------------------------|----------------------|
| President Rawlings             | Excused at 2:23 p.m. |
| Vice President Nathan          | Excused at 2:23 p.m. |
| Interim Vice President True    | Excused at 2:23 p.m. |
| Associate Vice President Small | Excused at 2:23 p.m. |
| Director Bauer                 | Excused at 2:23 p.m. |
| Director Droll                 | Excused at 2:23 p.m. |

Iowa State University

|   |                      |
|---|----------------------|
| President Jischke                         | Excused at 2:24 p.m. |
| Interim Provost Swan                      | Excused at 2:24 p.m. |
| Vice President Madden                     | Excused at 2:24 p.m. |
| Executive Assistant to the President Mack | Excused at 2:24 p.m. |
| Director Frederiksen                      | Excused at 2:24 p.m. |
| Director Jensen                           | Excused at 2:24 p.m. |

University of Northern Iowa

|  |                      |
|--|----------------------|
| President Curris                         | Excused at 2:22 p.m. |
| Provost Marlin                           | Excused at 2:22 p.m. |
| Vice President Conner                    | Excused at 2:22 p.m. |
| Vice President Follon                    | Excused at 2:22 p.m. |
| Executive Asst. to President Stinchfield | Excused at 2:22 p.m. |
| Director Chilcott                        | Excused at 2:22 p.m. |
| Director Elmer                           | Excused at 2:22 p.m. |

Iowa School for the Deaf

|                               |              |
|-------------------------------|--------------|
| Superintendent Johnson        | All sessions |
| Assistant Superintendent Balk | All sessions |
| Business Manager Nelson       | All sessions |
| Interpreter Cool              | All sessions |
| Interpreter Peek              | All sessions |

Iowa Braille and Sight Saving School

|                        |                       |
|------------------------|-----------------------|
| Superintendent Thurman | Excused at 12:30 p.m. |
| Director Hauser        | Excused at 12:30 p.m. |
| Director Utsinger      | Excused at 12:30 p.m. |



## GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday, March 18, 1992.

President Pomerantz recognized the presence of former Regent James Tyler at this meeting.

**APPROVAL OF MINUTES OF BOARD MEETING, FEBRUARY 19-20, 1992.** President Pomerantz asked for corrections, if any, to the Minutes.

Mr. Richey stated that one Regent had requested a minor change in one section of the Minutes. The Board Office will make that correction and distribute a corrected page to the Regents.

**ACTION:** President Pomerantz stated the Board approved the Minutes of the February 19-20, 1992, meeting, as revised, by general consent.

**INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a) Post-Audit of Master of Fine Arts Degree Program in Dance.** The Board Office recommended the Board (1) receive the report on the post-audit of the MFA degree program in Dance at the University of Iowa and (2) approve the continuance of this program.

University of Iowa officials submitted a post-audit report on the MFA degree program in Dance five years after the program was initiated, consistent with Board policy. The report was reviewed by the Board Office and the Interinstitutional Committee on Educational Coordination and both recommended continuance of the program.

The MFA degree program in Dance was approved in Fall 1986 and implemented in 1987. Prior to that date the university offered an MA in Physical Education (Dance Specialization) for approximately 25 years.

The program appears to have met all of the original objectives at the time that the program was proposed. Enrollment is consistent with the enrollment projected. Graduates of the program appear to be finding jobs in the field.

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Costs are consistent with that projected. The program appears to be successful.

Regent Williams asked for the location of the Dance Department within the university. Vice President Nathan responded that Dance is a separate department in the College of Liberal Arts.

MOTION: Regent Williams moved to (1) receive the report on the post-audit of the MFA degree program in Dance at the University of Iowa and (2) approve the continuance of this program. Regent Johnson seconded the motion, and it carried unanimously.

(b) Discontinuance of the Master of Arts Degree Program in Public Affairs. The Board Office recommended the Board approve the discontinuance of the Master of Arts degree in Public Affairs at the University of Iowa.

University of Iowa officials requested approval to discontinue the Master of Arts degree program in Public Affairs.

Only eight students are currently registered in this program. The one faculty member in the Political Science Department whose primary professional commitment was to the area of public affairs has retired and has not been replaced.

MOTION: Regent Fitzgibbon moved to approve the discontinuance of the Master of Arts degree in Public Affairs at the University of Iowa. Regent Furgerson seconded the motion, and it carried unanimously.

(c) Report on Interinstitutional Cooperation. The Board Office recommended the Board (1) receive the biennial report on implementation of the Board's Policy on Interinstitutional Cooperation and (2) direct that future biennial reports not only list and describe cooperative programs, but also discuss the processes and mechanisms that are used to encourage and develop collaborative and cooperative research and teaching efforts among the Regent universities.

University officials submitted their first biennial list of cooperative programs as required by the Policy on Interinstitutional Cooperation. The Policy on Interinstitutional Cooperation was adopted to ensure positive actions toward greater interinstitutional coordination of research and teaching efforts.

The report identifies centers and institutes, academic programs and other related research and educational projects in which two or more Regent institutions are involved cooperatively.

Seventy-one projects and programs were listed and described in the report, including 22 centers/institutes/consortia, 16 academic programs, and 33 other projects. Twenty-four of the projects involve all three Regent universities, 33 involve the University of Iowa and Iowa State University, 5 involve Iowa State University and the University of Northern Iowa, 8 involve the University of Northern Iowa and the University of Iowa, and 1 involves the University of Northern Iowa and the Iowa Braille and Sight Saving School.

The report only describes the current products of cooperative activities, but does not describe the processes by which they came to be established, or what processes are now in place to ensure that cooperative programs will continue to be developed in the future. The Board Office recommended that future reports discuss the processes and mechanisms that are used to encourage and develop collaborative and cooperative programs, as well as descriptions of the projects themselves.

Director Barak stated that it was fitting that former Regent Tyler should be in attendance at this meeting. The committee that he chaired while on the Board of Regents established the Policy on Interinstitutional Cooperation.

**ACTION:**

President Pomerantz stated the Board, by general consent, (1) received the biennial report on implementation of the Board's Policy on Interinstitutional Cooperation and (2) directed that future biennial reports not only list and describe cooperative programs, but also discuss the processes and mechanisms that are used to encourage and develop collaborative and cooperative research and teaching efforts among the Regent universities.

(d) Enrollment Management at the University of Northern Iowa. The Board Office recommended the Board approve the development of a plan for the management of enrollment at the University of Northern Iowa.

Authorization to develop a plan to control enrollment growth was requested by the University of Northern Iowa in February. The request from the University of Northern Iowa was reviewed by the Interinstitutional Committee on Educational Coordination and was recommended for approval.

University officials will develop a plan for dealing with enrollment growth at the university that will be presented for approval of the Board of Regents.

**MOTION:**

Regent Williams moved to approve the development of a plan for the management of enrollment at the University of Northern

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Iowa. Regent Johnson seconded the motion,  
and it carried unanimously.

(e) Change in the Name of the Home Economics Department at the University of Northern Iowa. The Board Office recommended the Board approve the request to change the name of the Department of Home Economics to the Department of Design, Family and Consumer Sciences at the University of Northern Iowa effective immediately.

University of Northern Iowa officials requested to change the name of the Department of Home Economics to the Department of Design, Family and Consumer Sciences. The request was made because the current name perpetuates an incomplete and limited image of the program.

The requested name describes the major program areas in the department more accurately.

ACTION: This item was approved by consent.

(f) Change in Name of the University of Iowa Curriculum from Museum Training to Museum Studies. The Board Office recommended the Board approve the change in name of the University of Iowa curriculum in Museum Training to Museum Studies effective immediately.

The name of the University of Iowa curriculum in Museum Training was recommended for change to be the curriculum in Museum Studies.

The emphasis of instruction in this curriculum has broadly shifted to the cultural roles served by museums as institutional centers for informal learning, inspiration and entertainment.

Museum Studies is now the preferred name used by most other colleges and universities offering such programs.

ACTION: This item was approved by consent.

**ACCREDITATION REPORTS.** (a) Graduate Programs in School Counseling, Student Personnel Services in Higher Education, and Counselor Education and Supervision at the University of Iowa. The Board Office recommended the Board receive the report on accreditation of the graduate programs in School Counseling, Student Personnel Services in Higher Education, and Counselor Education and Supervision at the University of Iowa.

University of Iowa officials reported the results of the Division of Counselor Education application for accreditation that was submitted to the Council for Accreditation of Counseling and Related Educational Programs in October 1988 and the subsequent decisions of the Council.

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The Council for Accreditation of Counseling and Related Educational Programs continued accreditation in April 1991 for the following programs in the Division of Counselor Education:

M.A. degree program in School Counseling.

M.A. degree program in Student Personnel Services in Higher Education.

Ph.D. degree in Counseling and Human Development.

Ph.D. degree in Student Development in Postsecondary Education.

The accreditation followed receipt of the University of Iowa interim report addressing the conditions previously outlined in 1989 and was continued through June 1996.

The Council granted conditional accreditation for a two-year period in March 1989 for the masters degree programs and deferred the decision on the doctoral program until the stipulated conditions were met. The doctoral programs were accredited for a two-year period in October 1989.

There were no stipulations associated with the accreditation continuation granted in April 1991.

Accreditation documents on file in the Board Office include the self study, site visit reports, interim reports, correspondence and the final accreditation approval.

ACTION: President Pomerantz stated the Board received the report on the accreditation of the graduate programs in School Counseling, Student Personnel Services in Higher Education, and Counselor Education and Supervision at the University of Iowa, by general consent.

(b) Master of Arts Degree Offered by the School of Library and Information Science at the University of Iowa. The Board Office recommended the Board receive the report on accreditation of the program leading to the degree of Master of Arts offered by the School of Library and Information Science at the University of Iowa.

The American Library Association reviewed the Annual Report of the School of Library and Information Science and continued accreditation of the Master of Arts Degree program in November 1991. Recommendations concerned curricular changes, financial support and the impact of the strategic plan.

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The American Library Association extended support for the review process associated with the possible phasing out of the School of Library and Information Science Master of Arts degree program that was identified by the University of Iowa Strategic Planning Steering Group.

The University of Iowa and the School of Library and Information Science were congratulated for receiving continued accreditation of the master's program.

Regent Williams asked why this review was being presented now. Vice President Nathan responded that at the urging of Director Barak, university officials now report on the annual paper reviews of programs when such annual paper reviews are required for maintenance of full accreditation status.

Director Barak noted that this practice was consistent with Board policy.

ACTION: President Pomerantz stated the Board received the report on accreditation of the program leading to the degree of Master of Arts offered by the School of Library and Information Science at the University of Iowa, by general consent.

(c) Leisure Studies at the University of Northern Iowa. The Board Office recommended the Board receive the report on the accreditation of the Leisure Services Division of the School of Health, Physical Education, and Leisure Services of the University of Northern Iowa.

The National Recreation and Park Association Council on Accreditation continued accreditation of the baccalaureate Professional Preparation Program with options in Leisure Recreation Program Delivery and in Therapeutic Recreation for five years beginning in October 1991.

Program strengths included quality undergraduate students, administrative support, instructional materials, relationship with practitioners serving as practicum supervisors, excellent handbooks, and a high program profile at the campus, state and national levels.

The Council indicated that replacement of the current director of the School of Health, Physical Education, and Leisure Services by someone without the leisure services specialty would create a loss of senior faculty leadership for the division. The Council recommended that efforts to address the standard on faculty diversity be continued.

Major concerns were the length of time to implement the new curriculum, clear articulation of course content relative to accreditation standards, and accessibility to facilities in the East Gym. There were no stipulations associated with the awarding of the accreditation.



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The university and school were congratulated on their efforts in achieving reaccreditation for the leisure services baccalaureate program.

Provost Marlin noted that a major weakness cited by the accrediting team was the physical facility.

**ACTION:** President Pomerantz stated the Board received the report on the accreditation of the Leisure Services Division of the School of Health, Physical Education, and Leisure Services of the University of Northern Iowa, by general consent.

**SALE OF \$19,620,000 ACADEMIC BUILDING REVENUE BONDS, SERIES S.U.I. 1992.** The Board Office recommended the Board, subject to the receipt of acceptable bids, (1) Adopt a resolution providing for the sale and award of \$19,620,000 Academic Building Revenue Bonds, Series S.U.I. 1992, and approving and authorizing the agreement of such sale and award, and (2) Adopt a resolution authorizing and providing for the issuance and securing the payment of \$19,620,000 Academic Building Revenue Bonds, Series S.U.I. 1992, for the purpose of constructing, equipping and improving the new Academic Building to House the College of Business Administration to be located on the campus of the State University of Iowa and for various fire and environmental safety, deferred maintenance, equipment and utility projects on said campus.

This bond issuance consists of the balance of the 1990 authorization for the University of Iowa (\$11,585,000), which will be used for the Academic Building to House the College of Business Administration. The issuance also includes the 1991 authorization for the University of Iowa (\$8,035,000), which will be used for fire and environmental safety, deferred maintenance, equipment and utility projects.

Construction of the Academic Building to House the College of Business Administration has also been supported by \$12,515,000 in funds from the sale of Academic Building Revenue Bonds in March 1991. These funds, when combined with the \$11,585,000 from the current issuance, will completely utilize the \$24,100,000 in bond funds authorized by the General Assembly for this building.

The total project budget for the Academic Building to House the College of Business Administration is \$33,123,000. The difference between the bond funds and project budget will be supplemented with private gifts, parking reserves, and state appropriations.

A variety of fire and environmental safety, deferred maintenance, equipment and utility projects will be funded by the bond proceeds, including replacement of roofs on several buildings and improvements to the campus chilled water plants and electrical and steam distribution systems.

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The bond sale is in accordance with Chapter 262A of the Code of Iowa which permits financing of projects through the issuance of revenue bonds which are payable from student fees and charges and institutional income as defined in Chapter 262A.

**Bond Specifics**

Average maturity: 15.21 Years

Bonds dated: April 1, 1992

Interest Due: January 1 and July 1 commencing January 1, 1993

Principal Due: July 1, 1994, through July 1, 2015

Optional Call: Bonds maturing on or after July 1, 2003, are callable commencing July 1, 2002

Denominations: \$5,000 and integral multiples thereof

Mr. Anderson stated that three bids were received at 11:30 a.m., as follows:

Merrill Lynch and Company bid \$19,620,787.70 with a true interest cost of 6.0846 percent.

Dain Bosworth, Inc., bid \$19,620,000 with a true interest cost of 6.158844 percent.

Piper Jaffray Hopwood and Associates bid \$19,620,000 with a true interest cost of 6.0695 percent.

Mr. Anderson said the bid from Piper Jaffray Hopwood and Associates was the lowest cost bid with the best true interest cost. He noted that it was an especially good bid considering the current market. He recommended the Board accept the bid.

**MOTION:**

Regent Fitzgibbon moved to adopt a resolution providing for the sale and award of \$19,620,000 Academic Building Revenue Bonds, Series S.U.I. 1992, and approving and authorizing the agreement of such sale and award. Regent Berenstein seconded the motion, and upon the roll being called, the following voted:  
AYE: Berenstein, Dorr, Fitzgibbon, Furgerson, Johnson, Pomerantz, Tyrrell, Williams.

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NAY: None.  
ABSENT: Hatch.

**MOTION:**

Regent Fitzgibbon moved to adopt a resolution authorizing and providing for the issuance and securing the payment of \$19,620,000 Academic Building Revenue Bonds, Series S.U.I. 1992, for the purpose of constructing, equipping and improving the new Academic Building to House the College of Business Administration to be located on the campus of the State University of Iowa and for various fire and environmental safety, deferred maintenance, equipment and utility projects on said campus. Regent Williams seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.  
ABSENT: Hatch.

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

The first funnel date for the legislature was March 6, 1992. At that time, house bills had to be passed out of house committees, and senate bills had to be passed out of senate committees. Exceptions to this rule are: appropriations bills, ways and means bills, and bills sponsored by leadership.

The legislature passed Senate File 2116 (Supplemental Appropriations Bill for Fiscal Year 1992). The Governor signed this bill with certain item vetoes. An across-the-board reduction in this bill further reduced Regent institutions' budgets in fiscal year 1992 by approximately \$1.2 million.

Senate File 2116 granted the Governor authority to reduce state agencies' budgets for the contingent liability reserve established for the AFSCME arbitrator's legal case. The Department of Management on March 11, 1992, directed all state agencies to revert contingent liability reserve funds to the State General Fund to pay supplemental appropriations to human services programs. This action impacted the Regent institutions by approximately \$4.7 million in fiscal year 1992.

The Joint Education Appropriation Committee drafted its preliminary appropriations bill. The Senate Education Appropriations Committee has passed this bill. The House Education Committee has yet to pass this legislation.

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The Joint Education Appropriations Subcommittee's proposed appropriation bill has the following concerns regarding the Regent institutions:

- \* Reduces the institutions' budgets by approximately \$900,000 below the Governors' recommendation.
- \* Does not allow the Board Office to charge back for certain services such as presidential searches.
- \* Directs the special schools to operate under the Iowa financial accounting system established by the Department of Revenue and Finance beginning July 1, 1992.
- \* Establishes that legal counsel for the Board of Regents shall be an assistant attorney general and any additional assistant attorneys general as necessary and that the Board of Regents shall reimburse the attorney general for salaries and necessary expenses without providing an appropriation for this purpose.

Critical legislation under review is as follows:

- \* Senate File 2036 (Investment Policy) has passed the senate and has been received by the house. The Board Office and institutional liaisons have some areas of concern that will be addressed during House deliberations.
- \* Senate File 2120 (Establishment of a Midwestern Higher Education Compact) was passed by the Senate Education Committee and failed on the Senate floor by a 20 yes, 29 nay vote. The Board of Regents is registered as opposing this legislation.
- \* Senate File 2184 (State Communications Network) did not pass committee by the funnel date, but remains alive since it was referred to the Appropriations Committee. The Board Office and legislative liaisons continue to monitor this piece of legislation.
- \* Senate File 2237 and House Concurrent Resolution 115 (Sale of WOI-TV) have been referred to the House Appropriations Committee. The Board Office and the legislative liaisons are continuing to track these two pieces of legislation.
- \* House File 2028 (Requiring Institutions of Higher Education to Establish Policies Relating to Assault and Harassment) passed the house and has been referred to the Senate Education Committee. The Board of Regents position on this bill is monitor.
- \* House File 2275 (Establishing a Preference for the Purchase of Recycled Lubricating and Industrial Oils if the Cost is within 105 Percent of Virgin Oil Products) passed the house and has been referred to the

Senate Energy and Environment Committee. The Board of Regents is registered as monitoring this bill. The institutions have stated that they do not have any concerns with this legislation as long as the cost limitation is included.

- \* House File 2314 (Relating to the Sale of the State University of Iowa Lakeside Laboratory) did not pass out of committee prior to the funnel date but is an appropriations bill so it remains alive. The Board of Regents is registered as monitoring this bill pending any further actions.
- \* The Board Office and institutional liaisons continue to track a number of bills that survived the funnel date.

Mr. Richey stated that the supplemental appropriation bill had been signed by the Governor. The bill further reduces the appropriations in the current year for all the Regent institutions. The appropriations bill for 1993 will be considered tomorrow by the Senate. He said it was his understanding that a budget control bill went before the Senate Appropriations Committee yesterday. That bill caps some of the entitlement programs and would make budget decisions on the basis of program and policy rather than entitlements.

The fiscal year 1993 appropriations bill contains some items which Mr. Richey said are objectionable to the Regents. One such item concerns the accounting systems of the special schools. The proposed language could mean that the special schools would be subject to preaudit and tighter controls by the State. It would also move some of the governance of the schools away from the Regents. The Board Office is working on a compromise whereby the institutions would use the IFAS software. The bill also contains a provision that requires the universities to comply with uniform accounting systems by June 1994. Institutional officials feel they do have uniform accounting systems. Mr. Richey said it was clear that the people sponsoring this amendment feel that the institutions are not utilizing uniform systems. He anticipated some continuing differences of opinion.

Mr. Richey noted that legislation was proposed which would require the Regents to pay for legal services of the Attorney General's Office. He said that would amount to \$500,000 to \$600,000/year minimum. The bill contains the same kind of open-ended finance language as the legislation which required the Regents to reimburse the State Auditor for services.

President Pomerantz commented on the current status of Regent institutions budgets. He stated that to say the Regents are deeply disappointed with the 1992 supplemental appropriations bill which further cut institutional budgets by \$1,163,000 would be a gross understatement. The institutions have experienced a series of cuts in appropriations this fiscal year as well as an in-year cut in fiscal year 1991. Reductions in the amount of \$26 million in operating funds have been experienced in fiscal year 1992 which amount to a

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5.4 percent reduction. Some relief was given this year by bonding of \$10 million for deferred maintenance and equipment.

Fiscal year 1993 funding is in a questionable state at the moment. The Regents requested institutional operating appropriations of \$505.4 million. The Governor recommended \$466 million. The Joint Subcommittee bill is for \$465.1 million, a cut of \$900,000. President Pomerantz emphasized that the institutions cannot continue to absorb these cuts. They will not be able to achieve their goals of quality education. The K-12 systems and community colleges will not be able to achieve quality if the Regents are not successful in achieving their quality goals. Quality education starts at the top. Who will train the teachers? The continuing cuts in educational funding are not compatible with what the people of Iowa have long believed -- that quality education is a primary objective of the people of the state. Continuing cuts and reductions in revenues strike at the very heart of Iowa's educational systems. Our young people deserve a chance at a top quality "world class" education.

The Regents must do everything within their power to inform the people of Iowa, the Governor and the legislature that the institutions must be funded at a level that will allow them to proceed on their strategic paths. It is not "business as usual" any longer. They cannot hide under the leaf of budgetary problems. President Pomerantz emphasized that it is not up to the Board to decide where the revenue sources might be but to address the need for adequate funding. Now is the time to move forward. It was important that he publicly state the reality of the times and that the Regents move forward in the best interest of the institutions.

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

SPRING ENROLLMENT REPORT. The Board Office recommended the Board receive the report on Spring 1992 enrollments at Regent universities.

Total Spring headcount enrollment for Regent universities included 61,856 students, an increase of 0.44 percent over 1991 Spring enrollment. The University of Iowa enrolled 26,105 students, Iowa State University enrolled 23,544, and the University of Northern Iowa enrolled 12,207 students.

Headcount enrollment decreased at the University of Iowa 0.34 percent from 1991 Spring enrollment, increased 0.09 percent at Iowa State University, and increased 2.87 percent at the University of Northern Iowa.

The full-time equivalent Spring enrollment was 53,629 at the Regent universities, an increase of five full-time equivalent students from Spring 1991. Full-time equivalent enrollment at the University of Iowa was 21,658,

at Iowa State University it was 21,363, and at the University of Northern Iowa it was 10,608.

The 0.44 percent increase in Spring Regent enrollment from 1991 to 1992 coupled with the continued trend of Fall to Spring decreases of slightly over six percent, generally place enrollment at an expected level.

**ACTION:** President Pomerantz stated the Board received the report on Spring 1992 enrollments at Regent universities, by general consent.

**UNIVERSITY RESIDENCE AND DINING SYSTEMS FOR FISCAL YEAR 1991. (a) Annual Reports.** The Board Office recommended the Board receive the fiscal year 1991 annual residence system report.

The annual governance reports associated with the university residence system are in three parts. They include:

- \* A comprehensive annual report which provides background for review of annual budget proposals. This report covers fiscal year 1991.
- \* Rate proposals and preliminary budget proposals.
- \* University residence systems ten-year plan updates, 1992-2001, will be docketed in April.

Final approval of rate proposals is scheduled for the April 1992 meeting; final approval of the budget will be considered when the Board acts on all Regent institutional budgets.

Regent university residence systems are umbrella organizations with administrative responsibilities for the physical, financial, planning and staffing function of the housing and food service systems as well as for educational and developmental programming for the residents of university housing.

Included in the Regent residence systems are 39 residence halls and 11 apartment complexes for families and some single students. Total student occupancy in Fall 1989 was 22,407 and in Fall 1990, 22,020.

The replacement values of Regent residence systems in fiscal year 1991 as estimated through building and contents insurance coverage are \$157 million at the University of Iowa, \$174 million at Iowa State University, and \$73 million at the University of Northern Iowa.

Plant maintenance is a high priority of Residence Services. In FY 1991, capital improvement expenditures from current revenue and reserves totaled \$11.9 million--\$3.5 million at the University of Iowa, \$5.9 million at Iowa State University, and \$2.5 million at University of Northern Iowa.

Operating revenue for the residence systems was \$65 million in FY 1991, or 3.6 percent more than in the previous year.

Dining service revenue in fiscal year 1991 was \$26.5 million or 41 percent of total residence system revenue. Dining service revenue in FY 90 was \$25.7 million.

Expenditures in FY 1991 (before debt service and other mandatory transfers) totaled \$53.9 million, an increase of 5.9 percent over 1990 expenditures.

Debt service payments at the universities totaled \$4.3 million in FY 1991 -- \$2 million at the University of Iowa, \$1.5 million at Iowa State University, and \$.8 million at the University of Northern Iowa.

Total residence system net revenue after debt service and mandatory transfers totaled \$5.5, a 12 percent decrease from the total reported in the previous year.

Voluntary reserves on June 30, 1991, amounted to \$7.1 million at University of Iowa, \$4.8 million at Iowa State University, and \$4.7 million at University of Northern Iowa. Reserves on June 30, 1990, were \$7.0 million at University of Iowa, \$4.6 million at Iowa State University, and \$5.1 at University of Northern Iowa.

Voluntary reserve balances are 31.4 percent of gross revenue at University of Iowa, 17.0 percent at Iowa State University, and 33 percent at University of Northern Iowa. Balances increased at University of Iowa by \$63,465 and by \$214,108 at Iowa State University, and decreased by \$447,412 at University of Northern Iowa compared with FY 1990 totals.

Room and board rates for 1990-91 and FY 1989-90 were:

|     | <u>1989-90</u> | <u>1990-91</u> | <u>Increase</u> |
|-----|----------------|----------------|-----------------|
| SUI | \$2,580        | \$2,769        | 7.3%            |
| ISU | \$2,600        | \$2,720        | 4.6%            |
| UNI | \$2,236        | \$2,326        | 4.0%            |

In 1990-91, full room and board options at University of Iowa and Iowa State University continued to be the least expensive plans in the Big 10 and the fifth of all Big 8 universities. Rates at University of Northern Iowa rank last in the Association of Mid-Continent Universities.

Regent university enrollment decreased from 66,210 in Fall 1989 to 66,022 in Fall 1990.



Administrators of the residence systems project demand for university housing on the basis of university enrollment projections. Lower division undergraduate enrollments most heavily influence residence hall occupancy.

Lower division (freshman-sophomore) enrollment at the Regent universities increased from 25,137 in Fall 1989 to 25,713 in Fall 1990. In Fall 1990 at the University of Iowa, lower division enrollment increased by 6 percent and at the University of Northern Iowa by 7.5 percent. At Iowa State, lower division enrollment decreased by 3.6 percent.

Residence systems have been successful in coping with fluctuations in enrollment through strategic planning.

Residence hall occupancy for the report term (1990-91) was 98.1 percent of original design capacity at University of Iowa, 95.4 percent at Iowa State University, and 111.3 percent at the University of Northern Iowa. Apartment unit occupancy for 1990-91 was 99.7 percent of design capacity at University of Iowa, 98.8 percent at Iowa State University, and 97.3 percent at University of Northern Iowa.

Regent universities served 6.5 million meals in fiscal year 1991 with cost of food per meal ranging from \$1.13 to \$1.35. Fourteen dining centers provide affordable, nutritious meals with variety and quality.

Significant numbers of students are employed part-time in the residence systems--student worker headcount is approximately 600 at University of Iowa, 1,171 at Iowa State University, and 925 at University of Northern Iowa. Wages and salaries received from the residence systems by student workers totaled \$864,375 at University of Iowa, \$3,576,000 at Iowa State University, and \$1,885,334 at University of Northern Iowa.

Student governance structures provide students a role in determining student life rules and their enforcement. Resident involvement includes participation in facility improvement project identification, priority setting and the rate proposal process.

The university residence systems completed fiscal year 1991 in strong financial positions. They continue to provide well-maintained facilities and educational programming at a reasonable cost.

Director Smith stated that the proposed rates for fiscal year 1993 will be approved in April. Detailed proposals were contained in the material provided to the Regents for this meeting. He said the action required relates to fund transfers. He noted that University of Northern Iowa officials would present their fund transfer request later this fiscal year.

Regent Williams asked if the Regents were being requested to approve the 10-year plans at this meeting. Director Smith said they would be reviewed in

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April. The issue this morning is to review what had happened in 1991. The next item will be the proposed rates and budgets for next year.

President Pomerantz pointed out that the dormitory systems are in good condition. They have adequate reserves and good liquidity. That, he said, was the bottom line of all the statistics.

Regent Williams asked for the status of the Daum Hall project. Vice President Nathan responded that university officials anticipate a marked increase in first-year undergraduates in 1992 and 1993. Daum will be essentially at capacity.

Regent Berenstein referred to the previously-submitted proposals for remodeling Daum Hall, and asked where that stands. Vice President Nathan responded that the 10-year residence system plan would be presented to the Regents in April. There will be discussion about the possibility of adding another residence hall which would be designed in accordance with student preferences in design. At this time the university cannot take a residence hall off line to renovate extensively. They are initiating the planning process. If enrollments continue to increase they will look at adding a residence hall that is of maximum attractiveness to students.

Regent Tyrrell stated that the term "capacity" continues to confound him. What is "capacity"? Vice President Nathan responded that there is ideal capacity and ultimate capacity. Ideal capacity equates to students feeling they are well taken care of. University officials anticipate being essentially at capacity next fall in an ideal configuration. They do not wish to move back to triples and doubles.

Regent Tyrrell asked that in the future the statistics indicate that capacity means the same thing to everyone.

Vice President Nathan stated the ideal configuration nonetheless enables the university to make good on its commitment to bond holders. They are not jeopardizing the financial standing of the residence system.

ACTION: President Pomerantz stated the Board received the fiscal year 1991 annual residence system report, by general consent.

(b) Proposed Rates for Fiscal Year 1993. The Board Office recommended the Board (1) give preliminary consideration to the proposed rate schedules for residence halls and family housing units, (2) receive the preliminary residence system budgets for 1992-93 subject to further review and action when the university operating budgets are approved for 1992-93, (3) approve the University of Iowa transfer of \$1,749,000 to the dormitory improvement fund from the dormitory surplus fund, and (4) approve the Iowa State University

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transfer of \$950,000 from the dormitory surplus fund to the dormitory improvement fund.

University officials proposed dormitory rates for double occupancy rooms with full board of:

|                             | <u>Rate</u> | <u>Increase</u> |
|-----------------------------|-------------|-----------------|
| University of Iowa          | \$3,148     | 5.6%            |
| Iowa State University       | 3,044       | 6.8             |
| University of Northern Iowa | 2,620       | 7.3             |

University officials recommended that monthly rates for apartment housing be increased approximately:

|                             |      |
|-----------------------------|------|
| University of Iowa          | 6.5% |
| Iowa State University       | 6.0  |
| University of Northern Iowa | 7.3  |

The preliminary budgets are based on assumptions of a 0 to 5.0 percent inflationary increase in utilities and a 3.0 to 3.5 percent inflationary increase in the cost of food.

State salary policies have not been established, but a safety factor was included in the estimates for the purpose of setting housing and dining rates in fiscal year 1993.

#### University of Iowa

The university's preliminary budget for 1992-93 projects a \$627,338 (2.7 percent) increase in revenues over the revised 1991-92 budget and a \$955,171 (5.1 percent) increase in operating expenditures. The repairs and maintenance component of operating expenditures is projected to increase 9.9 percent over the revised 1991-92 budget.

The University of Iowa continues to experience declines in single student housing with projected occupancy of 5,298 in Fall 1992 compared to 5,510 in Fall 1991. Family housing apartment occupancy is projected to remain at the Fall 1991 level.

The preliminary budget assumes payment of the disputed salary and wage amounts for fiscal year 1993 during fiscal year 1993.

The voluntary reserve balance at June 30, 1993, is projected to be \$6,514,703 or 27.0 percent of gross revenues compared to an estimated voluntary reserve of \$7,621,144 in fiscal year 1992.

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University officials requested approval to transfer \$1,749,000 from the dormitory surplus fund to the dormitory improvement fund.

The 1991-92 revised budget has an increase of \$675,832 in revenues compared to Board approved budget for fiscal year 1991-92. Budgeted expenditures have decreased \$85,593 from the Board approved budget for fiscal year 1991-92. This provides a net revenue increase after debt service and mandatory transfers of \$761,425 over the original 1991-92 budget.

#### Iowa State University

Iowa State University officials developed its rate increases based on residence halls' occupancy equal to fiscal year 1992 and a decrease of 15 apartments in Pammel Court.

The university's preliminary budget for 1992-93 projects a 5.2 percent increase in revenues over the revised 1991-92 budget and a 4.9 percent increase in expenditures for operations. The repairs and maintenance component of operating expenditures is projected to increase 5.0 percent over the revised 1991-92 budget.

The voluntary reserve balance at June 30, 1993, is projected to be \$3,910,000 or 13.0 percent of gross revenues compared to an estimated voluntary reserve of \$3,830,000 in fiscal year 1992.

University officials requested approval to transfer \$950,000 from the dormitory surplus fund to the dormitory improvement fund.

The 1991-92 revised budget has a decrease of \$319,110 in revenues over Board approved budget for fiscal year 1991-92. Budgeted expenditures decreased \$122,288 from the budget approved by the Board of Regents for fiscal year 1991-92. These adjustments provide a net revenue decrease after debt service and mandatory transfers of \$441,398 over the original 1991-92 budget.

#### University of Northern Iowa

University of Northern Iowa officials developed its rate increases based on an increase in occupancy in residence halls of 39 and an increase in occupancy at university apartments of two.

The university preliminary budget for 1992-93 projects a 6.0 percent increase in revenues over the revised 1991-92 budget and a 4.8 percent increase in operating expenditures. The repairs and maintenance component of operating expenditures is projected to increase 4.9 percent over the revised 1991-92 budget.

University of Northern Iowa officials did not submit a transfer of surplus funds.

The voluntary reserve balance at June 30, 1993 is projected to be \$1,759,883 or 11.4 percent of gross revenues compared to an estimated voluntary reserve of \$3,237,665 for 1991-92.

The 1991-92 revised budget has a decrease of \$97,560 in revenues over the Board approved budget for fiscal year 1991-92. Budgeted expenditures decreased \$110,343 from the Board approved 1991-92 budget. Budgeted debt service increased \$282,505 over the Board approved budget for fiscal year 1992 due to an \$8.1 million bond sale in December 1991. These adjustments provide a net revenue decrease after debt service and mandatory transfers of \$269,722 over the original 1991-92 budget.

**MOTION:** Regent Berenstein moved to receive the fiscal year 1991 annual residence system report. Regent Furgerson seconded the motion, and it carried unanimously.

**BIENNIAL REPORT ON UNIVERSITY RADIO STATIONS.** The Board Office recommended the Board receive the annual reports of the Regent university radio stations.

The Board requested that radio reports be submitted biennially after March 1990. These reports are the first to be presented in the biennial format.

The stations broadcast a 24-hour schedule of cultural, informational and Iowa features during 1990 and 1991 fiscal years.

New programming at WSUI/KSUI featured readings by visiting writers, and an Iowa international program that was produced in cooperation with the International Education and Services Department of the University of Iowa.

A University of Northern Iowa student organization of broadcast majors began producing a weekly public affairs program that students wrote, produced and directed.

WOI programming relied extensively on Iowa State University academic leaders and included listener participation.

The Arbitron audience research company estimated that the number of listeners who listened at least five minutes during one week in Spring 1991 was the following:

|           |        |           |        |
|-----------|--------|-----------|--------|
| WSUI      | 28,000 | KSUI      | 31,800 |
| WOI FM    | 48,600 | WOI AM    | 41,600 |
| KUNI/KUNY | 46,400 | KHKE/KRNI | 7,100  |

The technical quality of legislative coverage was improved by sharing a two-way digital audio interconnection between WSUI-KSUI and WOI that permits

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ordinary telephone lines to be broadcast with a studio quality frequency range.

WOI-AM was identified as one of two AM public stations in the United States with current upward trends in audience support and with resistance to a national decline in AM listening in a research study commissioned by National Public Radio.

The WOI regional public radio satellite uplink center is one of twenty regional centers which are principal distributors to public stations in the United States.

Total 1991 funding was \$897,887 for WSUI/KSUI, an increase of 2.32 percent from 1989. Total 1991 funding was \$1,156,743 for WOI-AM/FM, an increase of 5.69 percent from 1989. Total 1991 funding was \$1,214,581 for KUNI/KHKE, an increase of 8.69 percent from 1989.

Regent Furgerson stated, as one who grew up listening to WSUI, WOI and KUNI, that the stations provide a real service to the people of Iowa and an alternative in broadcasting. She commended the universities on the stations' programming.

ACTION: President Pomerantz stated the Board received the annual reports of the Regent university radio stations, by general consent.

EARLY AND PHASED RETIREMENT POLICIES. The Board Office recommended that the Board approve, effective July 1, 1992, through June 30, 1997, subject to annual reviews, the Early Retirement Incentive Program and the Phased Retirement Program, as presented.

The Early Retirement Incentive Program and the Phased Retirement Program currently approved for all five institutions and the Board Office will terminate on June 30, 1992, unless renewed by the Board.

The recommended Early Retirement Program includes some reduction in benefits and a change in the length of time benefits are payable from the current possible maximum of eight years (11 years for some health insurance contributions) to five years.

The maximum appointment time permitted under the recommended Phased Retirement Program is changed (from the current 75 percent) to 65 percent with full retirement at the end of the five-year phasing period.

No significant reduction in the number of participants in the programs is expected because of the recommended reduction in benefits.

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The programs have been reviewed over the past year on campus by administrators and constituent faculty and staff groups in consultation with the Board Office. Factors considered in review of the programs included:

1. various cost and savings projections;
2. a change in federal law that will eliminate mandatory retirement for tenured faculty at the end of 1993, and studies which propose that research universities may need to rely on retirement incentives to ensure vitality; and
3. the non-discrimination provisions of regulations and laws including the federal Older Workers Benefits Protection Act that will become effective for public universities in October 1992.

University administrators support continuation of Early and Phased Retirement Programs to help promote institutional vitality.

Mr. Richey stated this issue was back before the Regents after being tabled at last month's Regents meeting. One of the issues was the age at which employees would become eligible. The amendment presented at this meeting would allow employees to become eligible at age 57; however, the benefits would remain the same as previously proposed: a maximum of 5 years coverage.

Mr. Richey noted that the existing retirement programs sunset on June 30, 1992. He said the issue before the Regents was whether to continue the programs with more cost effective levels of benefits. The current retirement programs have been successful. Opportunities for the institutions to utilize this option to eliminate positions and save money are becoming fewer because of the massive lay offs. Another major advantage of these retirement programs is an improvement in vitality.

President Jischke stated that he had discussions with members of the Iowa State University faculty regarding the retirement proposal. One aspect of the proposal concerns faculty. The item was called to President Jischke's attention, and he was sympathetic. The provision for medical benefits states that if a person enters the plan at age 57 the person would be without medical coverage from age 62 to 65. It was his view that the package would be substantially more attractive and more employees would avail themselves of the retirement options if there was no lapse in insurance coverage prior to Medicare eligibility.

President Rawlings stated that he had a similar concern. He then asked Professor Jack Fix to present the University of Iowa faculty perspective on this matter.

Professor Fix thanked the Regents on behalf of his colleagues for the retirement programs. Faculty are very uncomfortable, however, with the

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prospect of having several years without health insurance coverage should an employee opt to retire at age 57 under the proposal. Faculty members at age 57 have a disincentive to retire. Those who wish to retire at age 57 are often people who are ready to retire. The people who are most productive continue to work as long as they can.

Regent Berenstein noted that the recommended action was to approve the programs to become effective on July 1. He asked if the Regents could postpone action to the next meeting in order to address this window of opportunity to make the program more acceptable to faculty members.

President Pomerantz responded that they could postpone action until next month. He felt that part of staff's recommendation was in recognition that it is less necessary to have an early retirement program. That may or may not be the case. If the early retirement program is a benefit to the institutions then the question becomes one of cost.

Regent Berenstein suggested they could work out an arrangement where the cost is shared between the university and the participant. They should make sure that insurance coverage is in place.

Mr. Richey stated that employees may remain in the institutional group health insurance and get the advantage of those rates. However, the employee would pay the entire premium.

President Pomerantz said there is the question of whether the Board believes the incentive of early retirement is a benefit to the institution. They have to evaluate the costs.

Mr. Richey noted that in 1991 262 employees took early retirement. Many of them took it this year because they anticipated the benefits would be reduced somewhat with the new recommendation.

President Pomerantz said it was his view that if the Regents are interested in an early retirement program, then insurance is a critical piece of it. They must make the incentive enough. If they do not want early retirement they should not have a program at all.

Regent Williams said she felt that it was very important to offer an early retirement program. She would be in favor of extending the insurance coverage so the incentive remains an incentive. Insurance coverage may be what keeps employees at the university against their will. That would be a very unhealthy situation. After people have given a certain amount of their lives to an institution they should be able to retire in a graceful, comfortable way.

Mr. Richey noted that the savings is marginal for merit employees.



President Pomerantz stated this was really a policy issue. He said the idea of possibly sharing the cost of the last 3 years of insurance should be pursued.

MOTION: Regent Berenstein moved to table this matter to next month's meeting. Regent Dorr seconded the motion, and it carried unanimously.

**BOARD OFFICE PERSONNEL TRANSACTIONS.** The Board Office recommended the Board approve the Board Office Register of Personnel Transactions which included:

RESIGNATION: Michele Oviatt, Clerk I, effective March 13, 1992, and

APPOINTMENT: Debra Robbins, Clerk I, at an annual salary of \$14,060.80, plus usual fringe benefits, effective March 16, 1992.

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

**FINAL ADOPTION OF ADMINISTRATIVE RULES.** (a) Conflict of Interest in Purchasing. The Board Office recommended the Board approve final adoption of the rule on conflict of interest in purchasing.

The 1990 Session of the General Assembly amended Section 68B.4 of the Iowa Code, which prohibits an official or employee of an agency from selling goods or services to the agency. The amendment allowed for exceptions to the prohibition if certain conditions are met. One condition is prior authorization by the Board to such sales.

The Board of Regents in December 1990 approved rules which have been submitted to the Administrative Rules process. A Notice of Intended Action was published in the Iowa Administrative Bulletin on February 5, 1992. The required public hearing was held. No written or oral comments were received. The Administrative Rules Review Committee did not request a hearing on the proposed rule.

The Adopted Rule will be submitted to the Administrative Rules process, will be published on April 15, 1992, and become effective May 20, 1992.

MOTION: Regent Williams moved to approve final adoption of the rule on conflict of interest in purchasing. Regent Johnson seconded the motion, and upon the roll being called, the following voted:  
AYE: Berenstein, Dorr, Fitzgibbon,

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

(b) Suspension of Parietal Rule at the University of Iowa. The Board Office recommended the Board approve final adoption of continued suspension of parietal rule for freshman and sophomore students at the University of Iowa through the 1996-97 academic year.

The parietal rule at the University of Iowa is currently suspended for freshman and sophomore students through the 1991-92 academic year.

The rule was to be automatically reinstated at the end of the 1991-92 academic year unless the Board of Regents took action to extend the period of suspension. The Board of Regents at its November 1991 meeting approved continued suspension of the parietal rule at the University of Iowa through the 1996-97 academic year.

The required public hearing was held. No written or oral comments were received.

The Administrative Rules Review Committee did not request Regent participation in a hearing. The adopted rule will be submitted to the Administrative Rules process, will be published on April 15, 1992, and become effective May 20, 1992.

**MOTION:**

Regent Dorr moved to approve final adoption of continued suspension of parietal rule for freshman and sophomore students at the University of Iowa through the 1996-97 academic year. Regent Berenstein seconded the motion, and it carried unanimously.

**PURCHASING STUDY.** The Board Office recommended the Board (1) direct the Board Office in consultation with the institutions to study existing policies and procedures with respect to standardization of furniture purchases and recommend revisions, if appropriate, and (2) authorize the Executive Director to enter into negotiations and contract for consulting services with Management of America, Inc., in support of the purchasing study.

**Standardized Furniture Purchasing Procedures**

- a. President Pomerantz and Regent Dorr, as well as the Governor's Office, have been approached with specific concerns for Regent standardized purchasing procedures by representatives of private industry and Iowa Prison Industries.

- b. All three Regent universities have established or practiced standardized furniture acquisition strategies for several years, consistent with Board policy, favoring one or two brand products at any given time.
- c. The governing Regent Policies and Procedures which are related to the issue of standardization are found under the Purchasing section, Chapter 8.05, Paragraph C, Specifications and Standards, as follows:
  - 1. Specifications shall be prepared to assure that they do not restrict or preclude competition.
  - 2. All requests for bids and proposals for materials, products, supplies, equipment, and other needed articles to be purchased at public expense shall, whenever possible and practical, be made in general terms and be general specifications rather than be brand, trade name, or other individual mark. Brand names and numbers, when used, are for reference purposes and indicate the character or quality desired. If brand names are used, the specifications shall contain an "or acceptable alternate" clause. The chief purchasing official shall determine what is an acceptable alternate.
  - 3. Recognition is also given to standardization and compatibility requirements which should be maintained for purposes of economies in replacement and maintenance.
- d. Standardization facilitates quantity purchasing, interchangeability in use of equipment, reduction in service and inventory costs, and securing the required level of quality.
- e. Regent universities have established or practiced standardized furniture acquisition strategies for several years, consistent with Board policy, favoring one or two brand products at any given time.
- f. The single University of Northern Iowa modular furniture standard, with respect to the Herman Miller system, is based on the State of Iowa purchasing contract issued by the Department of General Services.
- g. The Code of Iowa establishes Iowa Prison Industries as a favored vendor. Iowa Prison Industries has established production standards, with modular office furniture designed by Leggett and Platt, and a dormitory furniture line, "The Madison," offered for sale to its clientele.
- h. Representatives of Iowa Prison Industries claim that "universities consistently specify name brand furniture and will accept no alternates, effectively keeping it from being considered."

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- i. Representatives of Iowa Prison Industries claim that "Regent institutions consistently reject as not meeting their standards items of Prison Industries furniture which other governmental agencies find to meet their standards."
- j. Representatives of private industry contend that developing a bid which is restricted to a specific brand is not in the best interest of securing a product which meets the university's needs for the lowest price.
- k. Representatives of private industry contend that specifying a brand to be interchangeable with a specific brand system is unreasonably restrictive since patents typically prevent furniture lines from interchanging.
- l. In its study of the standardization issue, the Board Office must consider that other factors such as quality, delivery times, availability and life cycle cost impact the broader issue of standardization.

At the November meeting the Board authorized continuation of the purchasing study and the solicitation of bids for consulting services in conjunction with that study.

- a. The Board of Regents authorized the solicitation of bids for a consultant to assist with the purchasing study.
- b. Prior to the solicitation, the Vice Presidents for Business and Finance reviewed and commented on the Request for Proposals necessary to secure evaluative information from prospective consultants.
- c. A Request for Proposals was forwarded to ten reputable firms to solicit their services. A list of those companies receiving the RFP is available at the Board Office.
- d. Four firms submitted proposals: Bain and Company; Arthur Little; Management of America; and KPMG Peat Marwick.
- e. Institutional personnel and Board Office staff conducted a review of each proposal and made appropriate recommendations.
- f. Major criteria for selection included:
  - 1. Likelihood that the proposed study method would accomplish the specific objectives;
  - 2. Understanding of the needs and problems of the Regent institutions;

3. Experience with public universities to include research and health care operations;
  4. Fee structure and estimated cost.
- g. Estimated costs for the service varied considerably as follows:
- |                              |                  |
|------------------------------|------------------|
| <u>Management of America</u> | <u>\$ 67,736</u> |
| <u>Bain and Company*</u>     | <u>\$324,000</u> |
| <u>Arthur Little</u>         | <u>\$177,000</u> |
| <u>KPMG Peat Marwick</u>     | <u>\$175,000</u> |
- \* As a unique bid attribute, consultant costs would be recovered as a function of the project.
- h. The Vice Presidents for Business and Finance were unanimous in two recommendations: 1) that the best proposal was submitted by Management of America, Inc., and 2) due to year-end closing schedules, the study should be delayed until August or September of this calendar year.
  - i. Based on evaluation of the proposals, the Board Office recommended selection of Management of America for consultant services in support of the purchasing study.

President Pomerantz stated that Bain and Company is probably the preeminent purchasing consulting firm in the country. He noted that it was hard to believe that the bidders were all bidding on the same proposal.

Director Smith stated that the reason for the difference in the price of the proposals was due to the process they propose to undertake.

Regent Dorr asked what the purchasing study was designed to do. Director Smith responded that it would confirm policies and procedures currently utilized and revise accordingly, if necessary. Brand and vendor preference would be reviewed as well as consistency in purchasing operations.

Regent Dorr stated that the issue of purchasing from Prison Industries was discussed before. Will the question of whether the institutions should buy from the private or public sector be reviewed? Mr. Richey said that part of the purchasing study would be performed by the Board Office. He stated the purchasing consultant contract would be to study the Regents purchasing procedures and practices including bulking of orders and the other areas the Board Office has not been able to do. The issues of basic policy and law he felt were better left to the Regents staff.

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Regent Dorr said it seemed that what was proposed to be accomplished by the Board Office was the toughest part of the purchasing study.

President Pomerantz noted that the last study of Regents purchasing was the study performed by Peat Marwick. He was concerned about the Regents purchasing practices. Their obligation was to perform more than a "once over lightly" study.

Mr. Richey said much work has already been done. The proposed purchasing study contract will build on that.

MOTION:

Regent Williams moved to (1) direct the Board Office in consultation with the institutions to study existing policies and procedures with respect to standardization of furniture purchases and recommend revisions, if appropriate, and (2) authorize the Executive Director to enter into negotiations and contract for consulting services with Management of America, Inc., in support of the purchasing study. Regent Dorr seconded the motion, and it carried unanimously.

CONSENT ITEMS. Regent Furgerson questioned the proposed Master of Physician Assistant Studies and the proposed Master of Science and Doctor of Philosophy in Oral Science degrees. The oral science degree program sounded similar to the kinds of training and expertise that people receive when they get their Bachelors degree in dental hygiene. Are the proposed new programs in oral science going to replace the dental hygiene programs? She cautioned that there may be a gender issue.

Vice President Nathan responded that both of the proposed new degree programs are being referred to the Interinstitutional Committee on Educational Coordination for consideration. He assured Regent Furgerson that her comments would be taken into account. The Master of Physician Assistant Studies is basically a degree change and not a change in substance of the program. The proposed change brings the program into line with the national trend in similar programs and makes the University of Iowa more competitive for students. The two Oral Science degree programs are research programs which are fully funded by National Institute of Health grants.

Regent Furgerson said she raised her questions because she wants them answered when a recommendation is brought back from the Interinstitutional Committee. She asked that they keep in mind that the national trend is toward the baccalaureate in dental hygiene.

Regent Williams referred to the proposed physician assistant degree program. She was concerned about the possible duplication between what goes on in the careers of physician assistants and nurse practitioners. The physician assistant program is heavily enrolled by males and the nurse practitioner program is heavily enrolled by women. Are they essentially duplicative programs or programs that could be merged to embrace both males and females? She then questioned whether the two degree programs in Oral Science are pre-professional or post-professional programs.

Vice President Nathan responded that the Oral Science degrees are research degrees that focus on basic research in oral science. They are specific degrees that address particular interests in the public health service. They are very unique programs.

Regent Williams asked if the Oral Science degrees were stand-alone types of degrees. Vice President Nathan responded affirmatively.

Regent Tyrrell asked if there would still be a physician assistant degree program at the baccalaureate level. Vice President Nathan responded that it was his understanding that there would not be. This Master of Physician Assistant would be the degree offered at the University of Iowa for physician assistants. The Master of Physician Assistant degree reflects the intensity of the program that is provided and also reflects a movement in the field in the training of physician assistants.

Regent Tyrrell asked for the prerequisite to get into the program. Vice President Nathan responded that students come in at the high school level. Students receive a liberal arts education and the professional components of the program. It is an approximate 5-year program.

Regent Williams asked if university officials would address the issue of duplication of the nurse practitioner program. Vice President Nathan responded that they would certainly do so now.

**MOTION:**

Regent Tyrrell moved (with comments duly noted), seconded by Regent Dorr, to approve the consent docket, as follows:

Approve the request to change the name of the Department of Home Economics to the Department of Design, Family and Consumer Sciences at the University of Northern Iowa, effective immediately;

Approve the change in name of the University of Iowa curriculum in Museum Training to Museum Studies, effective immediately;

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Receive the report on the Board Office budget;

Receive the Next Meetings Schedule;

Refer the University of Northern Iowa proposed curricular changes to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the University of Iowa request for a new degree program called the Master of Physician Assistant Studies to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the University of Iowa request for a new degree program leading to the Master of Science and Doctor of Philosophy Degrees in Oral Science to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the University of Iowa post-audit report on the Biomedical Engineering Graduate Program to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the University of Iowa request for approval of a new degree program leading to the Bachelor of Arts in Art History to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation;

Refer the University of Iowa request to name the merged Departments of Biology and Botany "Department of Biology" to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation; and

Refer the University of Iowa request to move the undergraduate major "Athletic Training" currently in Physical Education to Exercise



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Science to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The motion carried unanimously.

**REPORT ON THE BOARD OFFICE BUDGET.** The Board Office recommended the Board receive the report.

The Board Office budget for fiscal year 1992 to date is in balance. The amount of \$2,850 was added to the equipment budget to install an additional fax machine and a telephone with adequate speakers and microphones for the conference room. These two additional items of equipment are badly needed for the proper functioning of the Board Office. Offsetting reductions in other expenditure categories such as travel expense for Board members are possible based on expenditures to date and projected costs for the remainder of the fiscal year.

The key uncertainty for the remainder of the fiscal year is the issue of State salary policy.

**ACTION:** This report was received by consent.

**NEXT MEETINGS SCHEDULE.** The Board Office recommended the Board approve the Next Meetings Schedule, as follows:

|                  |  |                      |
|------------------|--|----------------------|
| April 15-16      | Iowa State University                                      | Ames                 |
| May 20-21        | University of Northern Iowa                                | Cedar Falls          |
| June 17-18       | University of Iowa   | Iowa City            |
| July 15-16       | Lakeside Laboratory  | Okoboji              |
| September 16-17  | Iowa State University                                      | Ames                 |
| October 21-22    | University of Northern Iowa                                | Cedar Falls          |
| November 18-19   | University of Iowa/Iowa Braille<br>and Sight Saving School | Iowa City/<br>Vinton |
| December 16-17   | Iowa State University                                      | Ames                 |
| January 20, 1993 | Telephonic   |                      |
| February 17-18   | University of Northern Iowa                                | Cedar Falls          |
| March 17-18      | To be determined   | Des Moines           |

**ACTION:** This matter was received by consent.

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



STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, March 18, 1992.

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

Register of Personnel Changes for January 1992, which included early retirement approvals as follows:

LILA HIGA, Staff Nurse Clinic, retired October 8, 1991;  
SAMUEL WATKINSON, Hospital Security Officer, retired August 31, 1992;  
RICHARD EAGLE, Custodian, retired October 31, 1991;  
ALBERTA KOS, Clerk Typist III, retired October 31, 1991;  
RUTH MC GOWAN, Secretary III, retired October 31, 1991;  
ROGER ALBERTS, Painter, retired November 30, 1991;  
GERALD MELLECKER, Elevator Mechanic, retired October 30, 1991;  
DARLENE WOMBACHER, Sewing Machine Operator, Hospital, retired October 31, 1991;  
JOHN CONDON, Manager, Mat. & Fac. Hygienic Laboratory, retired January 3, 1992;  
JOHN SEEGER, Kitchen Helper I, retired December 20, 1991;  
ROBERT KEMP, Assistant Professor, retired January 9, 1992;  
RICHARD JOSLYN, Storekeeper III, retired December 31, 1991;  
LAUREN JOHNSON, Chemist III, retired December 13, 1991;  
ESTER HEIN, Clerk Typist III, retired December 31, 1991;  
MILDRED FREEL, Associate Professor, retired January 9, 1992; and  
DORIS ANDERSON, Food Worker I, retired December 31, 1991.

Presented for the Board's information was the appointment of JUAN N. ALEJANDRO, JR., as Director of University Internal Audit effective April 6, 1992, at a fiscal year salary of \$61,000.

**MOTION:**

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

**NEW DEGREE - MASTER OF PHYSICIAN ASSISTANT STUDIES.** The Board Office recommended the Board refer the university's request for a new degree program called the Master of Physician Assistant Studies to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

University of Iowa officials requested approval of a new degree program called the Master of Physician Assistant Studies. The proposal would convert an existing physician assistant baccalaureate program to a graduate-level program awarding a Master of Physician Assistant Studies upon completion.

The Physician Assistant profession has experienced a significant expansion in role and clinical responsibilities. The conversion to a masters program will more appropriately reflect the entering characteristics of Physician Assistant students and the level of the Physician Assistant curriculum in the College of Medicine.

No additional resources were requested.

**ACTION:**

This matter was referred by consent.

**NEW DEGREE - MASTER OF SCIENCE AND DOCTOR OF PHILOSOPHY IN ORAL SCIENCE.** The Board Office recommended the Board refer the university's request for a new degree program leading to the Master of Science and Doctor of Philosophy degrees in Oral Science to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

University of Iowa officials requested approval for a new degree program leading to Master of Science and Doctor of Philosophy degrees in Oral Science. Oral Science is now recognized as an important independent field that serves as the scientific underpinning of modern dental programs.

University officials indicated that the participating faculty have a strong record of research accomplishments in both publication and external funding and the level of research activity is high. University officials indicated that the job market is sufficient to warrant the establishment of these degrees.

The program will be supported by a grant from the National Institute of Health and will require no new funding.

**ACTION:** This matter was referred by consent.

**POST-AUDIT REPORT - BIOMEDICAL ENGINEERING GRADUATE PROGRAM.** The Board Office recommended the Board refer the post-audit report on the Biomedical Engineering graduate program to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

University of Iowa officials completed a post-audit report on the Biomedical Engineering graduate program five years after its initial approval by the Board of Regents.

The program appears to have met the original objectives outlined for the program at the time of its initial approval by the Board of Regents.

**ACTION:** This matter was referred by consent.

**NEW DEGREE - BACHELOR OF ARTS IN ART HISTORY.** The Board Office recommended the Board refer the university's request for approval of a new degree program leading to the Bachelor of Arts in Art History at the University of Iowa to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

University of Iowa officials requested approval for a new degree program leading to the Bachelor of Arts in Art History. The university currently offers the M.A. and Ph.D. in History of Art as well as the M.A. and M.F.A. in Studio Arts.

The current B.A. in Art with an emphasis in Art History is considered to be inadequate. The lack of a B.A. in Art History has disadvantages to students wishing to pursue the field on the graduate level and contrary to normal practice among other institutions.

**ACTION:** This matter was referred by consent.

**NAME CHANGE - MERGER OF DEPARTMENTS OF BIOLOGY AND BOTANY.** The Board Office recommended the Board refer the university's request to name the merged Departments of Biology and Botany "Department of Biology" to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

University of Iowa officials requested that the merged Departments of Biology and Botany be named the "Department of Biology." A merger of the Departments of Biology and Botany is underway with the goal of completion by July 1, 1992.

Immediate savings will be achieved by combining and reorganizing staff services and reducing staff size.

This merger was approved by the Board of Regents in December. The issue before the Board at this time was the naming of the merged department.

**ACTION:** This matter was referred by consent.

**DEGREE/DEPARTMENT CHANGE - MOVE ATHLETIC TRAINING TO EXERCISE SCIENCE.** The Board Office recommended the Board refer the university's request to move the undergraduate major "Athletic Training" currently in Physical Education to Exercise Science to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

University of Iowa officials requested that the undergraduate major "Athletic Training" currently in Physical Education be moved to Exercise Science.

The newly-created Department of Exercise Science administers two degree programs, one in Exercise Science (with four specializations) and one in Physical Education (with five specializations including Athletic Training). All tracks under Physical Education except Athletic Training have been discontinued or moved to the Department of Physical Education and Sports Studies.

The name "Exercise Science" more appropriately describes the content of the program in Athletic Training.

**ACTION:** This matter was referred by consent.

**ESTABLISHMENT OF RADIO TRANSLATOR FOR KSUI IN DUBUQUE, IOWA.** The Board Office recommended the Board approve the establishment of a radio translator for KSUI in Dubuque, Iowa, subject to approval by the Federal Communications Commission (FCC).

University of Iowa officials sought to establish a radio translator for KSUI in Dubuque, Iowa. The purpose is to rebroadcast the reprogramming of the university's radio station KSUI-FM in the Dubuque area.

The topography of Dubuque prohibits off-air reception of KSUI-FM. The University of Iowa signal is available to cable television subscribers.

In 1990, KSUI received a request to build a translator to service Dubuque and an offer to assist in raising funds for the station.

If approved, the KSUI program service will be extended to nearly 58,000 new listeners.

The estimated cost for the project is \$15,830 to be funded by the Eleanor Houts endowment fund and contributions from Dubuque residents.

The approval of the Federal Communications Commission is needed to install the translator.

**MOTION:** Regent Furgerson moved to approve the establishment of a radio translator for KSUI in Dubuque, Iowa, subject to approval by the Federal Communications Commission (FCC). Regent Tyrrell seconded the motion, and it carried unanimously.

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

#### PROJECT DESCRIPTIONS AND BUDGETS

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

Bowen Science Building--Replace Roof \$771,800  
Source of Funds: 1992 Academic Building Revenue Bonds

#### Preliminary Budget

|                                       |                |
|---------------------------------------|----------------|
| Design, Inspection and Administration |                |
| Consultants                           | \$ 61,100      |
| Architectural/Engineering Services    | 3,900          |
| Construction                          | 642,500        |
| Contingencies                         | <u>64,300</u>  |
| <br>TOTAL                             | <br>\$ 771,800 |

This project will replace 70,000 square feet of roofing at the Bowen Science Building. The roof is 24 years old and is in need of replacement to prevent further deterioration caused by leaks in the roof. This has resulted in saturation of the roofing insulation and the loss of thermal insulating capacity. The roof replacement is also necessary to avoid potential damage to the facility and its equipment from water penetration. Routine patching and repairs are no longer practical solutions to stop the leaks due to the serious nature of the deterioration.

This project will provide for the removal of the existing built-up roof and insulation down to the structural deck, the abatement of 5,800 linear feet of asbestos flashing material, and the installation of a new bitumen roof system with tapered insulation, associated flashing and walk pads.

This project is part of the deferred maintenance/utilities improvement bond issue authorized in 1991.

Rienow Hall--Replace Piping

\$267,039

Source of Funds: Dormitory Improvement Reserve Bonds

Preliminary Budget

|                                       |                |
|---------------------------------------|----------------|
| Design, Inspection and Administration |                |
| Consultants                           | \$ 26,148      |
| Architectural/Engineering Services    | 16,821         |
| Construction                          | 203,700        |
| Contingencies                         | <u>20,370</u>  |
| <br>TOTAL                             | <br>\$ 267,039 |

This project will provide for the replacement of deteriorated galvanized steel piping, valves and fixtures associated with domestic hot and cold water, drain lines and vent stacks in Rienow Hall. Any asbestos insulation found will be properly removed and disposed of. Replacement pipe will be copper for hot and cold water lines, and cast iron for waste and vent lines. The new hot and cold water lines will be insulated.

\* \* \* \* \*

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

\* \* \* \* \*

ARCHITECT/ENGINEER AGREEMENTS

Recreation Building--Athletic Facilities Improvement Program  
Herbert Lewis Kruse Blunck, Des Moines, Iowa

\$379,110

University officials requested approval of the design agreement with Herbert Lewis Kruse Blunck. The selection of Herbert Lewis Kruse Blunck was based on the general overall strength of the firm, its good track record with university projects, and its inclusion of Sink Combs Dethlefs, which has extensive experience with sports facilities, particularly football support facilities.

The architect's basic services shall include the following: Facility Evaluation and Programming; Master Planning and Schematic Design (Phase I);



Design Development (Phase II); Construction Documents (Phase III); Bidding and Negotiation (Phase IV); and Construction Administration (Phase V).

The agreement provides for a fee of \$379,110, including reimbursables.

West Campus Chilled Water Plant Expansion \$330,000  
Stanley Consultants, Muscatine, Iowa

In February 1992 the Board authorized the university to negotiate a contract with Stanley Consultants, Inc., of Muscatine, Iowa, for engineering services on this project. This project will expand the capacity of the existing chilled water plant by 6,000 tons in two phases of 3,000 tons each.

The engineer's basic services will consist of schematic design (with cost estimates), and final design including bidding documents (structural, mechanical and electrical services), to add 3,000 tons of motor-driven centrifugal chiller capacity including cooling tower. The arrangement of equipment and supporting facilities will allow the future addition of a second increment of 3,000 tons without adding building space.

The agreement provides for a fixed fee of \$330,000, including reimbursables.

Initial Agreements Approved:

The following agreement was approved by the University Business Manager prior to formulation of the project budget. The budget for this project has been set at over \$250,000 and appeared on this month's register for Board approval. University officials requested ratification of the agreement subject to Board approval of the project budget.

Rienow Hall--Replace Piping \$22,748  
Gene Gessner, Inc., Iowa City, Iowa

Amendments:

University Hospitals and Clinics--Neurology Clinic Expansion \$4,200  
Hansen Lind Meyer, Inc., Iowa City, Iowa

CONSTRUCTION CONTRACTS

University Hospitals and Clinics--Electrical Power Monitoring System \$128,548  
Award to: Acme Electric Company, Cedar Rapids, Iowa  
(3 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

College of Medicine Administration Wing  
DeVries Electric, Inc., Pella, Iowa

University Hospitals and Clinics--Psychiatric Pavilion Replacement Facility--Phase C  
The Weitz Company, Des Moines, Iowa

Music Building--Asbestos Abatement  
REM-CON, Inc., Coon Rapids, MN

FINAL REPORTS

Chemistry-Botany Building Remodeling--Phase II \$9,064,842.64

MOTION: Regent Fitzgibbon moved to approve the university's Capital Register, as presented. Regent Johnson seconded the motion, and it carried unanimously.

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

BIO-RESEARCH PRODUCTS, INC. (Tenant)--University officials requested approval to renew a lease for business incubator space at the Technology Innovation Center with Bio-Research Products, Inc. This lease is for approximately 800 square feet of office space for the period commencing April 1, 1992, through September 30, 1992, at a rate of \$12 per square foot, or \$800 per month (\$9,600 per year). This is an increase of approximately 20 percent over the previous lease period. The university furnishes utilities and services at the Technology Innovation Center.

OAKDALE SOFTWARE (Tenant)--University officials requested approval to renew a lease for business incubator space at the Technology Innovation Center with Oakdale Software. This lease is for approximately 319 square feet of office space for the period commencing April 1, 1992, through September 30, 1992, at a rate of \$8.50 per square foot, or \$225.96 per month (\$2,711.52 per year). This is an increase of approximately 42 percent over the previous lease period. The university furnishes utilities and services at the Technology Innovation Center.

MOTION: Regent Dorr moved to approve leases, as presented. Regent Furgerson seconded the motion, and upon the roll being called, the following voted:  
AYE: Berenstein, Dorr, Fitzgibbon, Furgerson, Johnson, Pomerantz, Tyrrell,

Williams.  
NAY: None.  
ABSENT: Hatch.

President Pomerantz then asked Board members and institutional executives if there were additional items for discussion pertaining to the University of Iowa.

Regent Furgerson asked for the status of the search for a person for the position of Vice President for Health Science. She noted that as trustees for University of Iowa Hospitals and Clinics the Regents do not have representation on the search committee.

President Rawlings responded that there are two members on the committee from the Hospital; therefore, the Regents have good representation on the search committee. As far as the search itself, he said it was off to a good start.

Regent Furgerson stated that the Regents represent the community and not University of Iowa Hospitals and Clinics, and, therefore, have no representation on the search committee.

President Pomerantz stated that he would continue to address that concern with President Rawlings.

President Rawlings stated that there are many rules surrounding search committees. However, he would be happy to continue talking with President Pomerantz about Regent Furgerson's concern.

President Pomerantz stated that this relationship was not typical because the Board of Regents serves as the Board of Trustees of the Hospital. Therefore, they have a special relationship to this search. He said the matter probably needs discussed at length.

President Rawlings said he would be happy to continue talking with President Pomerantz about this matter.



## IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, March 18, 1992.

**SALE OF WOI-TV.** The Board Office recommended the Board hear the reports and presentations, and approve the Notice of Solicitation of Proposals for the sale of WOI-TV.

Copies of the draft Notice of Solicitation of Proposals were sent to each member of the Board of Regents and to Iowa State University. The proposed solicitation document appeared to be in order and can result in a process that meets standards for public transactions.

Representatives of the Iowa Television Group, Inc., and the Broad Street Companies requested opportunities to make presentations to the Board. The Board's legal and financial consultants presented reports and comments.

President Jischke stated that at the telephonic Board meeting held last week the Board instructed Iowa State University, in conjunction with the Board's legal and financial counsel, to draft a set of procedures under which all parties who submitted written proposals for the sale of WOI-TV would be allowed to revise and resubmit their bids. He said counsel for the university and legal and financial counsels for the Board of Regents had developed a set of procedures which was before the Board today. The procedures were delivered to the Board Office and Regents on Monday. He believes this set of procedures reflects a wise and prudent approach. The notice of solicitation of proposals provides guidance on the preparation and submission of proposals, required contents of the proposals, information on how proposals will be evaluated, a proposed schedule subsequent to bid submission, and other relevant information. Bids received after the closing date will not be considered. All bids must contain specific information on the purchase price, payment schedule and the security offered for any promissory note. All bids must be submitted as sealed bids. All bids that are received will be kept in a university vault until formal bid opening at 1:30 p.m., on Friday, April 10. Once the proposals are opened, they will be referred to the Board's financial advisor, Duff and Phelps, and the Board's legal counsel, the Ahlers firm, for analysis. He said the non-proprietary information in the proposals will be made available to the public in accordance with the Iowa Public Records Law.

Following the initial analysis by legal and financial counsel, meetings will be held with each of the bidders for the purpose of clarifying any questions that may have arisen in the analytical process. Following those meetings a final analysis will be completed and the bids will be ranked as to their desirability. If there is one proposal deemed superior by both legal and

financial counsel, a Letter of Intent will be negotiated and brought to the Board for its approval, hopefully at the May meeting. If two or more proposals are materially indistinguishable, President Jischke said university officials intend to bring those bids to the Board for guidance and determination. While university officials anticipate this process will be completed by the May Board meeting, he said they will take whatever time is required so that legal and financial counsel are provided adequate time for careful, complete and thorough analyses.

President Jischke stated this procedure specifically provides that the WOI-FM radio antenna remain at its current location on a rent-free basis so long as the television station uses the Alleman tower sight. He said the procedure provides that the buyer could remain in the current building housing WOI-TV on the Iowa State University campus for up to 4 years, paying a rent of \$80,000/year for the first 3 years, and \$100,000 for the fourth year. The procedure provides that as long as the buyer remains in the building the existing cooperative arrangements for educational programs, student internships and public radio activities will be maintained. The procedure provides that the university will retain all satellite uplink facilities and equipment, that the commercial use of the uplink equipment will not interfere with any of the university's educational programming, and that the university will maintain an uplink facility for at least 10 years. After that time, if the university decides to sell the uplink facility, the buyer would have a first opportunity to purchase the equipment at its fair market value.

President Jischke said it was his hope that all those who previously made proposals will choose to continue in this process. The goal remains the same: to bring the best possible offer for the station to the Board for its decision. He believed that the process recommended today would allow the public to scrutinize the process and its outcome, and also would allow the Board to make a well-reasoned, thoughtful and deliberate decision.

President Pomerantz asked Robert Allbee and Wade Hauser of the Ahlers law firm to make their presentation on the findings of their investigation into allegations about the bidding process.

Judge Allbee stated that late yesterday he faxed their review in written form to the Regents. He proceeded to highlight their findings. The bidding process was prescribed and organized by the brokers. It has been described as an informal protocol designed to get the best possible offers. The brokers determined it would not be a rigid, formal process because that might deter bidders. The broker suggested the process to be used. A written prescription for the submission of bids was never created which did not seem improper under the circumstances.

The brokers transmitted packets of information to potential bidders which contained a cover letter encouraging bids be submitted as soon as possible in January. The packets included financial data, market area data, etc. The

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brokers urged a general deadline of the end of the third week in January 1992. Judge Allbee stated that Friday, January 24 was the last working day of the third week. Some time during that week some calls were placed by the brokers asking the parties to attempt to get their bids in on the 23rd of January. Judge Allbee said he believed that at least three parties complied with that request, including the Iowa Television Group, which submitted its bid, dated January 22, on January 23, 1992.

Judge Allbee said the bidding process was general and almost exclusively oral. Iowa Television Group and others stated they were told the bids would be kept confidential, that the bidders should submit their best offer, and that the best offer would be the party with whom negotiations for a Letter of Intent would be conducted. Iowa State University Equities Corporation had no part in the bidding process until it set a cut-off date for the brokers as Tuesday, January 28, 1992. The request for the cut-off date was conveyed by Iowa State University Equities Corporation to the brokers. The brokers in turn were dealing with the bidders. Two bids came in after Friday, January 24, which was the end of the third week. Those two bids, however, arrived on or before January 28, the date that Iowa State University Equities Corporation asked the brokers to make as the final date.

As the bidding process was proceeding and bids were being received, Judge Allbee said it appeared that the brokers did, on occasion, inform some of the bidders that theirs were not the highest bids. An investor for Citadel Communications was so informed and Citadel, which had submitted a bid dated January 17, 1992, submitted a second bid or an amended bid on or before January 28. Judge Allbee stated that it was his finding that Mr. Gerlach of Iowa Television Group was called on or about January 24 in the afternoon and informed that their bid had, he believed, been received very positively and that a meeting was requested with him on January 30. Judge Allbee said that Mr. Gerlach told him that he believed, and Judge Allbee concluded reasonably so, that Iowa Television Group had the highest bid. A meeting was held in Ames with representatives of Iowa State University Equities Corporation, the brokers, Mr. Belin and Mr. Gerlach on Thursday, January 30. As a result of that meeting, further negotiations were conducted to clarify the proposal.

A complaint was lodged that information from the Citadel Communications bid was conveyed to the Iowa Television Group during the negotiations in order to enhance the Iowa Television Group's offer. Judge Allbee said it was his finding and conclusion that was not the case. While Mr. Belin was informed there was another bid that was very strong, the bid numbers were not revealed nor was the bidder identified.

Judge Allbee stated that at its February meeting, the Board of Regents requested an independent financial evaluation by Duff and Phelps. He said that financial group ultimately gave an opinion using perhaps different assumptions than those used by Iowa State University Equities Corporation and its brokers. The Ahlers firm has no opinion on that matter but some of the persons interviewed believe the consultant's conclusion was wrong.

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Now it is back in the hands of the Regents to determine what will happen next. The Regents have to make a determination about whether the bidding process was fundamentally fair, whether the bidding should be continued and under what conditions.

Judge Allbee continued his report. He said the Citadel Communications bid was amended and received after the third week in January but was within the only definitive deadline established by the seller (January 28, 1992). Judge Allbee said:

As a general overview, we believe that the brokers were attempting, and properly so, to maximize the sale value for the television station, providing general guidance to the bidders, encouraging upscale bidding, attempting to generate excitement about the potential of this particular television station in an otherwise rather ... dreary market. Clearly the parties to this proposed transaction and their representatives all appear to have been attempting to legitimately pursue their own best interests. We find nothing collusive and nothing deceptive and nothing improper in the process.

Judge Allbee emphasized that the Regents have the fiduciary obligation to attempt to secure the greatest value for the public obtainable through this proposed sale transaction and to ensure that the sale process is fundamentally fair to all potential purchasers and sellers. If the Board makes the determination to reopen the process for further bidding under a prescribed protocol, that protocol in the form of a notice to bidders was faxed to the Board on Monday afternoon. The protocol was developed by representatives of the Iowa State University Equities Corporation with advice and oversight of Duff and Phelps. It was also reviewed by the Ahlers firm. They found it to be very complete and had no criticism of it.

Regent Dorr asked Judge Allbee if the informal nature of the brokers' bidding procedure seemed strange. Judge Allbee said the more informal a procedure is the greater the potential for confusion and misunderstanding. However, that does not mean the procedure was defective. On the other hand, a very rigid procedure was determined by the brokers not to be the most desirable way to elicit bids.

Regent Tyrrell asked if it was common practice for bidders to be told if theirs is not a favorable bid. He said that did not appear to be fair to the bidder who gets its bid in just under the deadline. Judge Allbee said that was a decision the Regents had to make. It seemed to him that the brokers were attempting to get a higher bid in a market that was not good. The bidders were told to give it their best shot and to get their bids in by the third week of the month. The brokers, in the meantime, were indicating to bidders that their bids were not the highest and there was still time within the time frame to make a higher bid. The brokers expressed that it was their duty to get the highest best price. The brokers were not revealing amounts or bidders.

Regent Berenstein asked if the brokers' compensation consisted of a percentage of the purchase price. Judge Allbee responded affirmatively, noting that



after the \$4 million or \$5 million mark the percentage was 1 percent. Therefore, the compensation would be about \$10,000/million. Compensation would certainly be an incentive for the brokers to get the bids up. They were working on a commission basis.

President Pomerantz asked Judge Allbee if he felt that part of the confusion was caused because the brokers are primarily oriented to the private sector. Judge Allbee stated that this type of sale of a public body has been described as unique, unusual and exceptional. He agreed that the brokers are accustomed to working in the private sector. They were working in a competitive market in a unique situation. There was some pessimism about the sale of the facility. The brokers were attempting to get the best bid and that, in turn, gets the best price for themselves, too.

Regent Fitzgibbon said it seemed to him that normally a broker is charged with bringing the qualified bids and someone else does the negotiating. There were some indications that the brokers did do some negotiating. Judge Allbee responded that the broker's contract did not prescribe the manner in which they would perform their duties other than to state to bring forth the best possible bids.

Regent Dorr questioned whether a more formal protocol would have been more appropriate than the more typical private sector procedure. Judge Allbee responded that in this instance the sellers were depending upon the brokers to get the best bids. There are a limited number of people who sell television stations. Dual brokers were selected because it was thought that would give more coverage and advantages. These apparently were people who could work together. The brokers were the ones who determined the process. The Regents and Iowa State University Equities Corporation relied on the brokers to establish the process and to bring the bids forward. The brokers made the decision on the process to be followed. No one questioned the decision at the time. Looking back, he said the confusion has to do with whether or not there was a deadline. Judge Allbee said he was satisfied that the definitive deadline established by the seller was January 28, 1992, even though the brokers may have led people to believe the deadline was January 24 or even January 23. Evidently, not all bidders were told January 24 because others were encouraged to bring in amended bids. He stated that the bottom line was that this is all still subject to approval by the Regents. He said he did not have the wisdom or experience in this area to tell the Regents whether it was better now to have a protocol that is available if you want to use it.

Regent Berenstein asked if it was Judge Allbee's recommendation that the Regents go forward with a proposed formal protocol. Judge Allbee said he believed the Board could make the decision to reopen the bidding with a strict protocol.

Regent Berenstein asked if the bidding should be reopened just for the six previous bidders or for anyone. Judge Allbee said that if they are reopening

the bidding process they should invite those who previously bid to do so again as well as anyone else who was not active the first time. However, he emphasized that it was for the Board to determine whether bidding is reopened. He has indicated that there was nothing to prevent them from doing so because the bottom line is that the Board makes the final decision on everything. The Board has to determine whether to go forward with one or two bidders or reopen it depending upon where they believe the best value is.

President Pomerantz stated that another element is the fairness element. He has made public a relationship he has from the beginning of this process. He will not participate if Iowa Television Group is selected. In terms of the process, as President of the Board of Regents he made the following points: The Board of Regents has always had the option of refusing all bids. Secondly, comments have been directed toward these "bad people" who happen to be the successful bidder. He said that was unfair. One of the options happens to be that some of the bidders may not bid again and the Regents may find they have reduced the price they can get for the station instead of increasing it. He cautioned that they not be flamboyant about how they move forward. Their obligation is to maximize the value received for the station. If they choose to sell it, the Board is on record as saying that if values are received that are consistent with the appraisals, the Board will sell WOI-TV. It is still appropriate to say the majority of the Regents will vote to sell the station if the values are achieved in terms of the appraisals that were made.

There is an underlying question of fairness here that needs to be addressed as well as the right of the Board to do what it thinks is in the best interest of the people of this state. The Regents should not be intimidated about how they go forward. If there is a question about the fairness of the process then they need to make a determination. However, it is within the right of the Board to do whatever it chooses at this point -- go forward, not go forward, sell it, not sell it, whatever this Board decides. That is not an issue of fairness but a right of the Board.

President Pomerantz said the process, from the public perspective, was not well handled. They are dealing with a situation that will cause them to have problems regardless of how they go forward. The Board should be driven by what is in the best interest of the people of the state. They should not be so quick or so flamboyant to expect that just because they rebid they will be happier. He did not have a great deal of confidence in the bids as they have come down based on the credit side of the issues. There are issues around a definitive contract that have not been addressed. He tried to get a contract up front so they would really know what they are talking about. Even if the two top bidders both have acceptable Letters of Intent, if the Regents cannot get a satisfactory definitive contract, they have nothing. That point seems to have been lost in this whole deliberation. If they go forward it should be with a clear understanding that if they rebid, perhaps a generic definitive contract be drafted and the terms and conditions be outlined.

To those who would put an inordinate amount of pressure on the Regents from one side or the other, President Pomerantz stated the worst case is if the station does not get sold. He said that would satisfy a lot of people. If the station does get sold the Regents will maximize the value to the people of the state. They will adopt a protocol that will be fair to everyone from this point forward and do the best they can to restructure this in a way that will give them credibility as they go forward. They cannot undo some of the things that have happened up to now. He said he could understand a bidder who was told it had the successful bid being very unhappy if it does not turn out that way. That is fundamentally unfair. The fact is they were told that and they had to recognize this Board has the right to approve or disapprove whatever happens.

Regent Dorr stated that he was under the impression that the motion he seconded at last week's telephonic Board meeting was predicated initially on discussions that revolved around the collateralization of the sale. He was not of the opinion that there was a fairness issue until after the original issue had abated, at which time Iowa Television Group indicated it felt there was some difficulty and the Citadel group also did. Initially the Board determined there was a credit or collateral issue. The fairness issue evolved subsequent to that. It probably has been an appropriate process now to engage others to evaluate this to try to make sure that the process is acceptable relative to the concerns that came up after the collateral issues.

President Pomerantz recognized Dan Bayston of Duff and Phelps.

Mr. Bayston stated that at the telephonic Regents meeting last week Duff and Phelps was asked to provide the Ahlers firm with all the written documentation they had to help evaluate the bidding process. Mr. Bayston spent last Thursday and Friday in Des Moines working with university officials and with their counsel to develop the protocol presented to the Regents today. He then commented on the objectives he believed the protocol would achieve. He said the protocol sets specific framework for all the proposals to address the same issues so that the evaluators, from an independent analysis standpoint, will be better able to evaluate the proposals on a comparative basis. He believes the protocol will address the material issues in order to independently evaluate the value of the proposals. The protocol also sets a specific timetable in which those proposals will be received and evaluated. The protocol affords bidders an opportunity to clarify the contents of their proposals.

Mr. Bayston discussed the process that Duff and Phelps undertook in evaluating the initial proposals. He said Duff and Phelps was asked to examine the written proposals received as of January 28, 1992. They were specifically asked not to incorporate any information which may have been received by various parties subsequent to that date. He discussed at some length with Mr. Richey whether or not it would be advisable for them to get clarification

from the bidders on the proposals. It was determined in consultation with Mr. Richey that the bidders would not be contacted personally. They dealt strictly with a reasonable interpretation of the written proposals. He said a second area of confusion was in the original proposal that was received by the Iowa Television Group. A number of issues not addressed in the original Iowa Television Group proposal were addressed in the revised proposal. For example, he said the Iowa Television Group original proposal provided no details regarding the nature of the \$8 million note, the frequency of interest payments, or the amortization schedules. Those issues were clarified in the revised proposal.

Regent Fitzgibbon asked for the date of the revised Iowa Television Group proposal. Mr. Bayston responded that the revised proposal did not have a date. He was referring to the Letter of Intent that was presented to the Regents at their February Board meeting.

Mr. Bayston then stated that it was important for the Board to understand that Duff and Phelps' analysis took two separate and distinct stages. They initially examined the proposals that were submitted as of January 28. They secondarily examined the revised proposal of the Iowa Television Group. He noted that a couple of other points changed between the original proposal and the secondary proposal which has gotten misunderstood along the process. For example, the original Iowa Television Group proposal said the note would be a senior note. Another bidder, Citadel, also indicated the seller would have a first collateral position. In evaluating the initial proposals he felt that a reasonable assumption based on the information provided within the proposals was that the collateral being offered was virtually indistinguishable among the various proposals. However, that particular issue in the revised Iowa Television Group proposal was clarified in a much more specific manner. He felt that if bidders follow the proposed protocol the collateral issue will be fully clarified by all bidders.

In terms of Duff and Phelps' evaluation of the second proposal which more directly addressed issues articulated in the letter to the Board, Mr. Bayston said he would follow up in writing after this meeting. He said the revised Belin Letter of Intent provides for quarterly interest payments. The Duff and Phelps analysis was based upon semi-annual interest payments when, in fact, it should have been based on quarterly interest payments. That was an error on Duff and Phelps' part. The impact of the quarterly versus semi-annual interest payments on the value of the proposal, however, is less than 1 percent of the total value, which would be approximately \$100,000. In their analysis, Duff and Phelps discounted the face value of the note presented to the university as part of the consideration.

Mr. Bayston said it was critically important to understand that this is not a risk-free transaction from the university's standpoint. They are going to be asked to be a lender of a substantial amount of the purchase price. It was Duff and Phelps' opinion that as part of the protocol, in the evaluation of

any revised bids, the university thoroughly understand the credit backing up the note. For example, some bidders will include the station and the guarantee will be part of an overall corporate obligation guarantee. It will be absolutely critical for the university to understand the creditworthiness of the guaranteeing corporation and the strength of its balance sheet. They should go through the process any banker would go through if it were being asked to lend money in the amount of \$6 million to \$10 million.

Mr. Bayston proposed as part of the protocol that the information in the proposals be clarified. University officials and independent advisors, if deemed appropriate, would clarify any of issues outstanding with the proposals so there is a full understanding of the value of the note. Duff and Phelps felt the protocol would help accomplish those objectives and put the proposals on a more comparative basis. Duff and Phelps is in the business of evaluating these types of consideration. He noted that the market on how these types of considerations are valued today is vastly different than how they were valued two years ago. The security will not be risk free. The value of the security should appropriately reflect the collateral supporting the note and the ultimate credit-worthiness of the guarantor behind that note. The protocol would help put the proposals on a direct comparison basis.

Regent Berenstein asked if Mr. Bayston would recommend that the Regents accept the proposed protocol. Mr. Bayston responded that given the uncertainties and the questions raised regarding what issues should be considered in the evaluation of the proposals, the protocol will address those issues. From that perspective he believes the protocol will do a service to the understanding of the value of the relative proposals. He added, however, that the type of protocol proposed is very unusual. The Regents are operating in a different environment than the private market place. It is different and it is unique. If the protocol would have been adopted initially, the Regents probably would not have received some of the proposals by January 28. The issues that need clarified in the proposals are very specific. Bidders will have to take a considerable amount of time in putting together their proposals.

President Pomerantz asked for clarification of Mr. Bayston's earlier statement on the issue of the dollar fairness of the bid when he stated that the values were appropriate for the market place. Mr. Bayston reaffirmed his opinion and said this was an extremely tough environment in which to be selling a television station.

President Pomerantz asked, if there were adequate guarantees or partial guarantees that were satisfactory in terms of collateralizing the contract, would Mr. Bayston have a positive view of that type of approach? Mr. Bayston responded that as a credit enhancement it would have a positive impact.

Regent Williams asked for the likelihood, if the Regents adopt the proposed protocol, that they will receive bids. Is the protocol going to drastically

affect the level of the bids? Mr. Bayston responded that the protocol is a more restrictive process. If the protocol had been adopted earlier, it would have had the impact of discouraging some bidders that were not offering serious consideration.

Regent Berenstein referred to Mr. Bayston's comment that if there had been a stringent protocol when soliciting the original bids, there might not have been as many bidders. In their fiduciary responsibility, is the Board acting responsibly by adopting a stringent protocol? Mr. Bayston said that was a determination for the Board to make. He believes the protocol will ensure that proposals are serious and well thought out.

President Pomerantz said that was one line of thought. On the other hand, if the adoption of a stringent protocol and subsequent rebidding drives away a successful bidder, then have they enhanced the value to the people of Iowa? He said Duff and Phelps is not going to give them absolution. The Regents are going to make a decision. The decision they make probably is not going to please everyone. The people of Iowa are going to have a hard time knowing whether they are better served or not until this whole thing is done.

Regent Tyrrell stated this process was very complex and involved a number of variables. Where the strength of one bid might be impressive, it might have other weaknesses. He felt they were going to have to set up a process that helps them to review a bid on its total merit. Mr. Bayston stated that Duff and Phelps would help the Regents assess the valuation of the offers.

President Pomerantz stated that the recommended protocol had been concurred in by the Ahlers firm, Duff and Phelps and university officials. He said Mr. Bayston was suggesting that Duff and Phelps be part of the evaluation to determine the successful bidder.

Regent Tyrrell asked at what point the Board would get involved. Do Duff and Phelps and Ahlers come in with a recommendation which they consider the best or do they bring the Board several recommendations for the Regents to evaluate? President Pomerantz responded that the Board had retained Duff and Phelps and the Ahlers firm to assist in this effort. He suggested they follow the protocol, if the Regents adopt the protocol, and allow the Board's advisors to bring a successful bidder. He felt that the Regents should not get involved in that determination.

President Jischke stated the protocol suggests that if there is clearly a best bid, that bid be brought to the Board with a Letter of Intent. If there are two or more bids that are determined to be materially indistinguishable, those bids would be brought to the Board.

President Pomerantz recognized Gary Gerlach, publisher of the Ames Tribune and a principle in the Iowa Television Group.

Mr. Gerlach stated that he is a native Iowan, an Iowa businessman, an Iowa newspaper publisher, and a member of the Iowa Bar Association. He has substantial experience as a communication lawyer both in Washington, D.C., and in Iowa. He was appearing on behalf of the Iowa Television Group. He said Iowans have debated for 25 years whether WOI-TV should be an educational facility or entrusted to the private sector like any other commercial entity. Many believe that it no longer makes sense for the state of Iowa to be in the television business twice. That is, with the Iowa Public Television Network and also with the state university's ownership of a commercial network television facility. WOI-TV has a special tradition and special history at Iowa State University. WOI-TV is a jewel of which Iowa State University can be justifiably proud. He said the Regents are right to debate extensively and carefully in public the future of WOI-TV.

Iowa Television Group's dream is to found an Iowa-owned and Iowa-based television company. Mr. Gerlach believes this idea is worthy of the Regents' careful consideration and that it affords a very sound way to entrust WOI-TV to the future. He said WOI-TV offers the last current hope for central Iowa to have a locally-owned major media voice. All other major media in central Iowa will soon be owned by large out-of-state interests. Iowa Television Group envisions creating a company founded by Iowans and underwritten by 20 to 24 Iowa businesses, Iowa families and Iowa investors. Its goal would be to create a local television voice. Their strategy would be to emphasize local ownership, local news, local sports, local advertising and local involvement.

Mr. Gerlach said Iowa Television Group had proposed some special arrangements to make sure that the WOI radio stations are not disadvantaged in this process. Ultimately, he envisions a new Iowa company, headquartered in Iowa, and dedicated to growth in the creation of good jobs in this state. He said Iowa corporation and business law statutes give distinct preferences to Iowans and to local considerations in various commercial contexts. He said theirs is the only Iowa group bidding for WOI-TV. They have not asked for special advantages and have certainly received none. He believes they have played by the rules and others may not have.

The founders of the Iowa Television Group have strong Iowa backgrounds in business, education and civic affairs. Mr. Gerlach stated that members of the group have considerable experience in owning, developing and managing media and television businesses, and in doing so in a responsible fashion. Iowa Television Group's founders include Mr. David W. Belin, Mr. William Bolster, and Mr. Gerlach. Since his youth in Sioux City, David Belin has developed an extensive background in law, finance and community service. He is a senior partner at Belin Harris in Des Moines. His background in financial analyses includes trustee of more than 20 Kemper Mutual Funds, which aggregate in excess of \$35 billion. He then stated that William Bolster is a native of Waterloo and a graduate of Loras College in Dubuque. He has deep Iowa ties and involvements. In the 1970s and 1980s he served as president and general manager of KWWL-TV in Waterloo which is a model of a highly successful local



commercial television station. He has a proven track record of expertise in helping build successful station operations. He was the creator of the Iowa Sports Network and pioneered the telecasting of university sports in Iowa. He retains very strong family ties in Waterloo. Within the past few weeks he has been named President and General Manager of WNBC-TV in New York, the flagship affiliate of the NBC television network.

Mr. Gerlach said he, too, is an Iowa native. He was born and raised in St. Ansgar in northeast Iowa. He graduated with high distinction from the University of Iowa in 1964. His wife is a professor at Drake University in Des Moines. She holds her Ph.D. from Iowa State University, 1978. During his university days, Mr. Gerlach served as editor of the Daily Iowan in Iowa City. He is a 1970 graduate of Harvard Law School. He served for several years as legal assistant to a commissioner of the Federal Communications Commission in Washington, D.C., and also practiced privately at a large corporate and communications firm in Washington. For 12 years he served as an officer and a director of the Des Moines Register and Tribune Company in Des Moines. In that connection he helped acquire, organize and manage two highly successful television subsidiaries, WQAD-TV, the ABC affiliate in Rock Island-Moline, and KHON-TV, the NBC affiliate in Honolulu, Hawaii. He is now publisher of the Daily Tribune and President of Partnership Press, an Ames-based newspaper company.

Under the rules of fair play, Mr. Gerlach said he believes Iowans have a right to be treated fairly in competing for the opportunity to acquire WOI-TV. He feels the Iowa Television Group has not been so treated. Additionally, their business relationships and acquaintances have been under intense scrutiny in the media. It was important for him to state in straight-forward terms that his group had not been awarded, either directly or indirectly, any special advantages. He said Mr. Ross Sidney, a lawyer from Des Moines on behalf of Citadel Communications, alleged that the Iowa Television Group was shown other bids. This is false. Judge Allbee indicated that he had investigated these claims and told the Regents that the Iowa Television Group has played by the rules. He said they have not had any special advantages. Indeed, the contrary seems more to be the fact.

Mr. Gerlach said Iowa Television Group's representatives' contributions to civic affairs are almost held against them because of their various acquaintances. Their only request is that others competing for the station be held to the same standards of close scrutiny. David Belin and Judge Allbee have made it clear that David Belin has had no inappropriate communications with the Regents in this connection. Unfortunately, his own past work with Barbara Mack of Iowa State University has been raised unfairly in the media. He said he has had no contact with Ms. Mack during the WOI bidding process. He then discussed how they became acquainted.

Mr. Gerlach then addressed complaints and concerns. He believes the Iowa Television Group proposal should be confirmed as the winning proposal for the



following reasons: They have played by the rules set out by Iowa State University, its brokers and representatives. They have offered the highest price. He said the analyses of Duff and Phelps was flawed and unfairly penalizes the Iowa Television Group proposal. Iowa Television Group offered the most cash down of all of the contract purchasers. Iowa Television Group has the strongest Iowa reputation in business, education and civic affairs. Members of Iowa Television Group have considerable experience in owning, developing and managing media and television businesses.

Mr. Gerlach said he was angered because he believes the bidding rules have been violated. Iowa Television Group was instructed to submit a sealed, confidential bid by January 23, 1992. Citadel was allowed to amend its bid on January 28 after the Iowa Television Group had been told it was the high bidder. He said the financial analyses of Duff and Phelps was seriously wrong in several key matters. Interest on the note was not calculated accurately. Iowa Television Group was not given credit for agreeing to make quarterly interest payments and the minimum rate of interest was used instead of an average of the variable rate provided in their offer. They were given no credit by Duff and Phelps for the mandatory prepayment provisions contained in their offer which will most likely cause them to prepay the note well before the end of the note's ten-year term. Finally, Duff and Phelps erroneously judged Iowa Television Group's offer to be less attractive from a collateral security standpoint than the Citadel revised offer and, therefore, wrongly penalized their offer by calculating its present value base on an 11 percent discount rate instead of the more favorable 10 percent discount rate used to value the revised Citadel offer.

This all notwithstanding, Mr. Gerlach said the fact that the Iowa Television Group's \$4 million down payment is double Citadel's net \$2 million down payment. All of these mistakes undervalued the Iowa Television Group bid by at least \$1 million. Because of these issues, he believes it is highly unfair and inappropriate to open the bidding anew. He believes the Regents have the power and the wisdom to give the Iowa Television Group proposal a fair value. If the Board so chooses, the Regents have good grounds for selecting Iowa Television Group as WOI-TV's new owners. He thinks the good grounds are based both on the strength of their financial offer and on the strength of their civic component.

Mr. Gerlach cautioned that reopening the bidding could well delay the sale of WOI-TV by up to one year by running afoul of the license renewal procedures that have to begin October 1. WOI-TV's station operations continue to drift and the station's financial position continues to deteriorate. The value of the station could well decline further in the coming months. He urged the Regents to consider the Iowa Television Group proposal favorably in this light. He stated that if their current proposal does not move forward they will withdraw from the negotiations. They are unlikely to pursue the station further unless they are satisfied they have been accorded the rules of fair play.

Mr. Gerlach stated that his partner David Belin was not in attendance at this meeting. Mr. Belin has spent dozens of hours since last fall working on this project. When Mr. Belin begins to discuss the bidding process he gets emotional; therefore, he thought it would be better if he stayed in Des Moines. Mr. Gerlach then read the final paragraph of a letter of Mr. Belin's to the Board of Regents dated March 17. "Finally, because the Iowa Television Group has been so unfairly treated in this process, I have decided not to attend the Board of Regents meeting on March 18. Gary Gerlach will attend to give some additional background about the plans we had for WOI-TV and also for putting together a major television group headquartered in Iowa. My recommendation to the other members of the Group is that if the Regents continue on the course suggested in their telephone conference meeting on March 11 and throw the matter open for bids from all 6 parties including Citadel who made a post-January 23 second bid, I plan to take no further part in these negotiations for the reason previously outlined. The Iowa Television Group will probably withdraw from any further consideration. Perhaps one of the other participants will give a bid as high as our bid in the Letter of Intent with the seller to keep the receivables plus a \$4 million down payment plus a pledge of the stock controlling the FCC license and the ABC network affiliation. It is possible but not probable. However what is absolutely predictable is that if Iowa Television Group withdraws then WOI will be sold to an out-of-state group and the people of central Iowa will be without any television station that is truly locally owned."

Mr. Quentin Boyken, attorney for the Iowa Television Group, stated that he hoped the Regents would make a courageous decision and not one that might appear to be the most expedient and easiest at this juncture. He said that if they adopt the protocol recommended today and open this process up to renewed bidding there is no assurance they will not be right back in this "box".

Regent Berenstein asked Mr. Boyken if he could accept Judge Allbee's opinion on the Iowa Television Group's Letter of Intent and live with those revisions. Mr. Boyken responded that although he had not fully analyzed the comments on the Letter of Intent, he was sure that if the Regents moved ahead with Iowa Television Group they could work with representatives of Iowa State and the Regents to address those issues.

Regent Tyrrell asked how much of the state WOI-TV covers. Mr. Gerlach responded that it was his understanding that the station covers central Iowa generously defined as the 40 to 50 central Iowa counties. The signal goes as far north as Algona and as far south as the Missouri border. It is principally viewed from Grinnell to Carroll, east to west.

Regent Tyrrell asked if Iowa Television Group representatives consider "local area" to be central Iowa or Ames. Mr. Gerlach responded that WOI-TV has a very special relationship with Ames. He views the central Iowa audience as very much a part of the local area. He also views metro Des Moines as a very

key part of the local area. The station has a special relationship with the university and the Ames community, as well. He thinks those three components can be well balanced into a local television facility that serves all of those areas.

Regent Dorr stated that he was becoming impatient. The discussion continually comes back to what appears to be a process issue when, in fact, the original concern of the Regents was based around collateral. There was not a process issue until it was made so by the bidders. It now appeared like there was an intent that the collateral issue would be part of the process issue. His original concern related to obtaining adequate collateral for the loan to be made to the Iowa Television Group.

Dick Geismar, Chairman of the Broad Street Companies, stated that his company owns KWQC in Davenport. He has been a broadcaster for 45 years. In his letter dated last Friday to the Regents he reiterated their proposal and their view about the process that needs to be followed for the university as well as the citizens of Iowa to recoup the fullest measure of their investment in WOI-TV. He said a broadcast station is only an asset when it produces tangible results. WOI-TV is a seriously underperforming asset. He said objects only become assets when administered by knowledgeable owners. He is highly experienced in delivering such results.

Regent Berenstein asked for Mr. Geismar's opinion of the protocol in the recommended action. Mr. Geismar said he had not had the opportunity to read the protocol but said that whatever the rules are, he will abide by them.

President Pomerantz asked, if the Board decides to reopen the bids, will Mr. Geismar be a bidder? Mr. Geismar said he would rebid unless there is something in the protocol which precludes that.

President Pomerantz asked Mr. Geismar, should the university and the Board decide it is not in their best interest to be a participant in ownership of WOI-TV, as proposed in his bid, is he willing to bid it on that basis?

Mr. Geismar stated that his proposal contemplates that the station will be worth more later than it is now.

President Pomerantz asked if he could guarantee that. Mr. Geismar responded that he could not make that guarantee.

President Pomerantz asked Mr. Geismar again if he was willing to go forward without participation from the university. Mr. Geismar said he was unable to give that kind of an answer until after reading the protocol. He said that if the university makes the decision to sell at today's value of broadcast stations in the market, it will be doing itself a disservice. He suggested that prices are inordinately low and that there a cyclical affect in the value

of television stations. The Regents are selling at a low point in the cycle. If the Regents align the station with a professional broadcast operation they will be better off than to do otherwise.

President Pomerantz said if Mr. Geismar really believes that, why is he not willing to take it all by himself. Mr. Geismar answered that the political considerations in this world make it an inappropriate offer. President Pomerantz stated that all he wanted to know is whether Mr. Geismar would go forward with it on his own without the university participating. Mr. Geismar responded that the university is participating when it takes a 10-year note. A ten-year note is unavailable in the commercial lending market for broadcast properties at this point in time, he said.

President Pomerantz asked if the note was collateralized by government bonds would that be a risk? Mr. Geismar responded affirmatively. He reminded the Regents that their financial advisor had told them that this transaction in any form would not be without risk.

President Pomerantz asked if Mr. Geismar was recommending that the Regents either join with him in a partnership or not sell the station. Mr. Geismar said that in Broad Street's original proposal they said there are ways to shape this transaction so that the university and the citizens of Iowa can participate.

President Pomerantz asked if Mr. Geismar owns any cable television stations. Mr. Geismar responded that he did not.

President Pomerantz asked if Mr. Geismar thought there was a possibility that cable television would compete with the traditional television mode. Mr. Geismar responded that cable television is not the same type of vehicle as is over-the-air broadcasting. From an advertiser and a viewer point of view, cable television offers very narrow slices of specific broadcast and advertiser interest. From a commercial point of view, cable television is not a competitor to over-the-air broadcasting. Over-the-air broadcasting is the single most efficient and effective deliverer of consumer goods and services in this country today.

President Pomerantz asked if, during Desert Storm, CNN was a competitor. Mr. Geismar responded affirmatively but stated that it does not show up in the rating books today.

President Pomerantz referred to Mr. Geismar's earlier statement about television values. Was Mr. Geismar absolutely confident that in the future the WOI-TV station would have a higher value? Mr. Geismar said he was willing to put his money on it.

President Pomerantz noted that Mr. Geismar was not willing to put all his money on it, but rather some of the State's and some of his in his bid.

Mr. Geismar stated that he is investing his own funds in the future of the television industry.

Regent Fitzgibbon stated that he knows three executives in the business of television stations. He has questioned them as to whether they believe television properties will increase or decrease in value. One said they would probably retain about the same level and the other two said there was no question that television stations would decrease in value.

Regent Fitzgibbon stated that the only way to eliminate risk is an all-cash transaction. They will probably end up with some credit risk. The Regents' job is to minimize the risk.

Mr. Geismar cautioned that the Regents not depend solely on their financial and legal advisors. He said broadcasting is an operating business. It is management intensive. Therefore, whomever the Regents select to purchase WOI-TV had better be able to deliver the operating results to service whatever piece of paper the Regents accept.

President Pomerantz thanked Mr. Geismar for his comments and said he was looking forward to his bid. Since Mr. Geismar has the managerial expertise, the history and the confidence of the market going forward, he assumed that would translate into a favorable bid.

Ray Cole, Vice President and General Manager of KCAU-TV in Sioux City, an ABC affiliate owned and operated by Citadel Communications, said no one at his company has had more involvement in Citadel's efforts to purchase WOI-TV than himself. Citadel owns and operates five television stations: KCAU-TV in Sioux City and a satellite of that station, an ABC affiliate in Burlington, Vermont, an ABC affiliate in Binghamton, New York, and a CBS affiliate in the Quad Cities. He said his company shares most of the complaints and concerns previously registered. The Duff and Phelps report shows clearly that Citadel Communications' offer to buy WOI-TV was competitive in almost all respects to the proposal submitted by Iowa Television Group. Their offer had a \$13.2 million value. He said \$13.4 million was the value of the original Belin proposal. The revised Belin proposal was worth roughly \$12.9. He said the Citadel Communications proposal was very competitive and within the rules relayed to them. With regard to the issue of the security interest that would be provided, he felt that on those merits Citadel's offer was clearly superior. Their offer provided a first lien to the people of Iowa which was the most secure proposal that was presented.

President Pomerantz stated that if Citadel wished to bring the Regents a ten-year contract with a Letter of Credit to support it or other assets that are valuable, it would be entertained.

Mr. Cole referred to Regent Dorr's analogy at an earlier meeting of an Iowa farmer. He made a different analogy relating to the level playing field. He said there was no question that charges and counter charges were made last week. If there was a level playing field the Iowa Television Group might have thought Citadel had 5 downs to their four, and Citadel might have thought Iowa Television Group had 12 players to their eleven. There are serious concerns with both groups as to how fairly they were treated. He said the Regents brought in "referees" since the last Board meeting to make some calls. Information from Mr. Belin challenges the calls made by one of those outside referees, Duff and Phelps. Again, if they are playing by the rules Mr. Cole is going to accept their calls and asked that the Regents accept their calls. Lastly, he did not believe the game was over as the Iowa Television Group would like it to be. He did not think that was fair to the other bidders, to the people of the state or the owners of the station. He asked that the game be allowed to continue -- that they are still in the fourth quarter. Everyone involved deserves an opportunity to see that the game is played down the stretch with a level playing field.

President Pomerantz asked if Mr. Cole would comment on any particular Regent relationships he may have and the history of his relationships with various Regents, and any other history that might help get to the issue of fairness?

Mr. Cole stated that he did not think that was germane but that he would answer the question. He has a very casual relationship with Regent Berenstein. He has never served on any boards of public service organizations with him. Regent Berenstein is on the steering committee for the Siouxland Initiative in Sioux City. Mr. Cole serves as the vice chair of the Chamber of Commerce. In that capacity, they are on the Board of Directors for that group. The two men have never had any significant social dealings. Regent Berenstein has never represented Mr. Cole's company or Mr. Cole personally.

President Pomerantz asked if Mr. Cole contacted Regent Berenstein concerning WOI-TV. Mr. Cole said he approached Regent Berenstein with Phil Lombardo on Friday, February 14, the day the announcement was made public by Iowa State University officials that they were going to recommend to the Board of Regents the sale of WOI-TV to the Iowa Television Group. Regent Berenstein was the Regent geographically closest. They approached Regent Berenstein in his capacity as a quasi-public official. He said Regent Dorr is also located in northwest Iowa. He accompanied Regent Dorr to the Regents meeting in Iowa City last month. He has had one or two conversations with him since then. The only other Regent he has ever even formally met or had any discussions with is Regent Hatch with whom he has a common acquaintance. He visited with Regent Hatch briefly prior to the last meeting.

President Pomerantz asked if Mr. Cole spent any time with the Regents after he contacted them. He noted that the Regents have been asked to disclose

their relationships with the bidders. That information has not been forthcoming in all regards.

Regent Dorr asked when that request was made. President Pomerantz responded that the request has been on going. Regent Fitzgibbon suggested it and it was being requested again, now.

Mr. Cole stated that at the last Regents meeting in Iowa City, Regent Berenstein commented on the relationship between President Pomerantz and Mr. Belin. He felt the comments were "right on the mark". He has never attacked Mr. Belin, President Pomerantz or their relationship. Regent Berenstein's comments were to the point, very direct and candid when he stated that to question the relationship between President Pomerantz and Mr. Belin was an insult to both of them. It challenged their integrity, veracity and character. What he was suggesting was that for President Pomerantz to suggest something otherwise to Mr. Cole was no more fair.

President Pomerantz said he was not suggesting anything. He was inquiring.

Regent Fitzgibbon asked Mr. Cole if he accompanied Regent Berenstein to Iowa City. Mr. Cole responded that he had.

Regent Fitzgibbon asked how they got there. Mr. Cole said that matter has never been hidden. The Regents' Executive Director knew about it. Is that not disclosure?

Regent Fitzgibbon stated that at last week's telephonic Board meeting he suggested that if any Board member might have a conflict of interest, to disclose it.

Regent Dorr stated that people were inferring that Regents had not been disclosing things to others on the Board. Now his name has come up as being involved in this matter. He said he resented the inference to his integrity. The first time that there were any conversations made about this and about Mr. Cole's relationship with Mr. Berenstein was in a conference call with Regents Berenstein, Pomerantz and Dorr. He said Mr. Pomerantz knew it from the outset.

Regent Fitzgibbon clarified that he did not question Regent Dorr's integrity.

Regent Dorr said there was nothing to disclose.

Regent Berenstein suggested that they avoid bickering over something that is irrelevant. He then stated that he had written up comments in response to Regent Fitzgibbon's request, as follows:

IOWA STATE UNIVERSITY  
March 18, 1992

I've heard at least three times that I have had contact with Channel 9 in Sioux City which is owned by Citadel Communications who you know is a bidder. For the record and to clear up any question anyone might have, I do not now and never have been a lawyer for or have been consulted as a lawyer for anyone from Citadel. As a matter of fact, I have been on the opposite side of the television station at least four times during my legal career. My relationship with Ray Cole is purely social. Mr. Cole is the station manager of Channel 9 in Sioux City. I met Mr. Lombardo for the first time on February 14, 1992, which was the Friday prior to the last Regents meeting in Iowa City. On that Friday, Mr. Lombardo and Mr. Cole came to my office questioning the bidding process. Immediately after the meeting I called Regent Dorr and he and I had a conference call with Mr. Pomerantz and reported the conference with Messrs. Cole and Lombardo. At that meeting I asked Mr. Lombardo to give me a letter outlining what he was concerned with. He never did talk to me about the legal aspects of it.

Prior to the meeting in Iowa City I called Mr. Richey and asked if it would be alright if Mr. Cole rode to Iowa City on the airplane to attend the meeting. I told Mr. Richey who he was, what he was going to do there, explained that his purpose in going to Iowa City was to attend the Regents meeting and then he also wanted to go to the Ohio State game which was Tuesday night prior to the Regents meeting. Mr. Richey gave me permission and told me it was alright for him to attend, that the fee would be approximately \$230 and that I should obtain from Mr. Cole a release from liability to the State of Iowa prior to the time he rode on the plane. I gave him that release and he signed it. That release has been mailed to Mr. Richey. He has it in his possession.

It was suggested to me by one of the Regents that I should not have had dinner with Mr. Cole and President Rawlings on that evening. I sat with Regent Fitzgibbon on the couch, and Wayne Banks and Hunter Rawlings. If Ray Cole was there he was under the couch because he wasn't with me. I don't know where he had dinner but he didn't have dinner with us. Mr. Cole went to the ball game. I introduced him to Marvin Pomerantz and Wayne Richey, Hunter Rawlings and everyone else that was seated close by him. He attended the meeting with Mr. Lombardo. He didn't say anything but everybody that knew who he was knew why he was in attendance.

On Sunday, February 23, 1992, I received a phone call from Mr. Cole who told me of the Des Moines Register article by a Mr. Elbert that talked about the value of WOI. At that time he asked me for my recommendation as to Des Moines legal counsel. At that time I told him he could not use the Davis or Belin firms because they had a conflict and they were involved in the transaction. I did suggest



that he contact someone at the Ahlers firm because they had not been retained at that time to my knowledge, someone at the Winnick firm, Ed Hansel at the Nyemaster firm, Ross Sidney at Grefe and Sidney, or Randy Duncan at his law firm. All those people are people that I know to be excellent lawyers. I would have done the same for any one of you in the room that asked me for a recommendation for a lawyer in Des Moines. I've had several other calls from Mr. Cole similar in nature to the one I received from Mr. Belin the night before the telephone conference last week.

Again, I mention these matters only to clarify the record. Number one: I am not now nor have I ever been a lawyer for Citadel Broadcasting or their affiliate in Sioux City, Channel 9, KCAU. And number two: My relationship with the principles of Channel 9 is no different than the social relationship I have with Mr. Belin or his partner Charles Harris who happens to be one of my dearest friends in the Iowa Bar Association. I have not disclosed any of that. I don't have a relationship with Channel 9. They are people that I know.

Mr. Cole is one of the outstanding young men in Sioux City. He should be involved in more community activities. I'm not upset that you question my integrity. Yet on the other hand, I didn't feel it was necessary to bring these facts forward because there is no relationship.

Regent Fitzgibbon said he did not question Regent Berenstein's integrity. That is not the point. The point is that it be disclosed so as a Board they have the integrity to deal with the sale.

Mr. Cole stated that this whole discussion of conflicts of interest points out the complex web of relationships that exists here. He then brought up another one which came to his attention just this morning. Today publicly Bill Bolster has been identified as one of the principals in the Iowa Television Group. He said Mr. Bolster is a terrific broadcaster for whom he has nothing but the highest regard. He said Mr. Richey reported at last month's Regents meeting that the Iowa Television Group's offer was taken to Mr. Harry Slife whom he also knows and who he also holds in very high regard. However, there is a very close long-standing relationship between Mr. Slife and Mr. Bolster. Mr. Cole suggested that if Mr. Slife was called upon to pass judgment on the proposal of the Iowa Television Group, he had a concern about the objectivity that he might bring to that. He was not challenging Mr. Slife's credibility. Mr. Slife now serves as a state senator from Waterloo. He formerly served on the board that oversaw WOI-TV. Still, there is a long-standing professional business relationship between Mr. Slife and Mr. Bolster that needs to be brought to the Board's attention.

Mr. Cole stated that much has been made of the local ownership and interest in acquiring WOI-TV. Mr. Gerlach talked about it again today. Mr. Cole said he served for three years on the Iowa Broadcasting Association Board of Directors. He was very proud of the fact that he was the youngest person in 1988 to ever be elected to serve on that board. While serving on that board, the board initiated a program called "Iowa -- where the dream still works". Mr. Gerlach talked this morning about the dream and the vision of Iowa Television Group. Mr. Cole has a similar dream and a similar vision for WOI-TV with his company. He hopes that the dream is achievable and attainable for everyone who calls themselves an Iowan. Mr. Cole is a native Iowan. He has been at KCAU for 16 years. He is proud of the record of public service that he has had in serving his community. A broadcaster's private life and business life are two halves of the same sphere. That is the way Citadel operates its stations. He hoped that a prospective purchaser did not have to be a resident of Polk County to have an opportunity to share in that vision and that dream.

Mr. Cole said it had been stated publicly many times that WOI-TV would be better off in the hands of local investors than they would be with interests that are controlled from New York or California or Texas. More recently, last week Citadel was described by Mr. Belin as "a sophisticated bunch from New York". Mr. Cole is very involved with this group. He said he has been called a lot of things before but "sophisticated" has never been one of them. Phil Lombardo, the president and managing general partner of Citadel, is a native of Chicago. Early in his career he worked at KCRG in Cedar Rapids. Citadel Communications operates two stations in Iowa that presently reach nearly one-third of the counties in the state. If that doesn't qualify as Iowa ownership and Iowa interest he asked what does.

In closing, Mr. Cole asked that the Regents proceed today with the same good judgment as they have shown in very difficult circumstances over the last 5 to 6 weeks by taking the recommendation of Iowa State University to proceed with the process that will allow WOI-TV and Iowa State University, if it's to be sold, to receive the best purchase price and best terms for the sale of the station.

President Pomerantz asked, if the Board approves the recommended protocol, will Citadel bid? Mr. Cole stated that Citadel Communications has a sincere interest in acquiring WOI. Yes, they will bid.

President Pomerantz stated that the bidders were asked for their best bid so the bids could be evaluated. After submitting an initial bid, on January 28 Citadel submitted another higher offer. In the interim between then and now several statements have been attributed to Mr. Cole that the Regents do not have their best bid yet. Did Mr. Cole agree that may be flexing the rules?

Mr. Cole responded negatively and stated that much was explained in answer to President Pomerantz' question in Citadel's letters.

President Pomerantz asked when the Regents could expect to receive Citadel's best bid. Mr. Cole responded that the Regents would have gotten Citadel's best bid if they had been given an opportunity to negotiate face-to-face with officials from Iowa State University or their representatives.

President Pomerantz asked, if the Board decides to open this back up for bidding, will they get Citadel's best bid on the first iteration or is it going to be subsequent? Mr. Cole responded that he would have to see the rules. He was troubled about the confusion on deadlines. He referred to a memorandum from the Board Office which stated that Iowa State University officials solicited bids with a deadline of February 2, 1992, for receipt of offers.

Mr. Richey noted that it should have said January 28, 1992.

Mr. Cole referred to the Minutes of the last Regents meeting which stated that Iowa State University officials solicited bids with a deadline of February 2, 1992, for receipt of the offers.

President Pomerantz asked Mr. Cole if he had seen the protocol being proposed. Mr. Cole responded that in the time he had for reviewing material this morning he was more intent on reading the letters from the attorneys for the Iowa Television Group.

President Pomerantz said there were very definite guidelines in that protocol as to how the bidding will take place. He said he was curious how long Citadel was going to continue "and I've got a better bid coming after the first one".

Mr. Cole stated that he was trying to explain the frustration that he has experienced. As another example he stated that Iowa Television Group started meeting with Iowa State University officials and their brokers on January 30. On January 30 Mr. Cole was in Ames, Iowa, conducting a due diligence inspection of the television station with the station manager, Mr. Bob Helmers. He said it was ridiculous, in hindsight, for him to be in Ames, Iowa, meeting with the general manager of the station when presumably across campus somewhere Iowa State University officials were meeting with a competing company. He said that all speaks to the confusion and the frustration of this bidding process.

President Pomerantz suggested that if the Regents decide to reopen the bidding and Citadel gets an opportunity to bid again, they make it their best bid. Mr. Cole said he hoped they would have that opportunity.

Mr. Richey stated, for the record, that he had no knowledge whatsoever who the other principals were in the Iowa Television Group bid. He had no knowledge whatever of Mr. Bolster nor any connection with Mr. Slife. He

said he was also certain that Mr. Slife did not know either or he would have disclosed it to Mr. Richey.

President Pomerantz stated that Harry Slife is a state senator. He is a former President and Chairman of Blackhawk Communications. He was a chairman of the Iowa Equity Board that had the direct responsibility of operating WOI-TV. Mr. Slife has had a lifelong career in Iowa. He is highly regarded as a citizen, as a legislator, as a broadcaster and as a businessman. In fairness to Mr. Slife, the innuendo that there is some relationship because a former employee may show up on another employment roll is a tremendous injustice to one of Iowa's most outstanding people who, by the way, recommends the sale of this station.

MOTION:

Regent Fitzgibbon moved to approve the Notice of Solicitation of Proposals for the sale of WOI-TV, as may be revised to address certain points. Regent Dorr seconded the motion.

Regent Williams asked if the motion was to approve the protocol, as presented.

Regent Fitzgibbon said no, he felt there might be a need for some additions to the protocol as it was presented. He hoped there would be an opportunity for the Regents to have input because he felt that some things in the protocol could be improved. For example, he suggested they amortize the principal at a more rapid pace. He said those were things that the law firm and Duff and Phelps could address.

President Pomerantz urged the Board to authorize its attorneys to put together a generic definitive contract. All bidders ought to recognize that the Board will be carefully evaluating the credit side of any proposal that comes in.

Regent Williams asked if that was included in the motion. Regent Fitzgibbon responded that it was not included in the motion.

President Pomerantz said that was the reason he was speaking to it. Regent Fitzgibbon may want to clarify that in the motion.

Regent Fitzgibbon said he thought it would be appropriate to take the overall proposal and then suggest to counsel and others involved that they consider other ideas. He suggested that could be a separate motion.

President Pomerantz asked Judge Allbee if he had any suggestions. Judge Allbee said he was not certain whether certain specific items would go to the table after the bidding or whether it could be a part of the protocol.

President Pomerantz asked if Regent Fitzgibbon's motion included a definitive contract. Regent Dorr said the motion did not. This proposal says they will bring a Letter of Intent.

Judge Allbee stated that to include a definitive contract with the bidding process would not be the ordinary and customary way of putting together an acquisition. The definitive contract would come later and be consistent with bids.

President Pomerantz stated that Judge Allbee was referring to "typical" transactions. However, there are many sales made with a generic definitive contract issued by the seller wherein that serves as a negotiation standard.

Judge Allbee said that would work where there is a product that people are anxious to get and are bidding high for. He said the Regents could dictate the terms of the bidding but it would be quite premature to attempt to have a complete contract.

Regent Berenstein stated that the original Belin proposal included verbiage which was deleted in the revised Letter of Intent. He suggested that language be included in the bidding process so neither party would be able to "wiggle out" of the commitment. If they use the verbiage which talked about subordination of letters of credit and other items, that might be appropriate. He agreed they should have a Letter of Intent that is more than just a desire to buy the property but a commitment to buy the property and defines the issues without being a "definitive agreement". He suggested they could do that by submitting the proposed Letter of Intent in the bid package as a sample that shows the various points that have to be negotiated prior to the time the bid is submitted.

President Pomerantz stated that a more comprehensive Letter of Intent would work.

Judge Allbee said he could fashion something along the lines being discussed. He noted that a Letter of Intent is just that, an intent. The Regents probably do not want to make it a binding contract. They would want the freedom to reject it or to negotiate further, if desired.

President Pomerantz said he was trying to deal with the issue around the credit. It would not be adequate to simply put forward a letter of intention to issue a 10-year or 5-year contract without any prescription around the collateral that will be furnished or around the covenants that deal with credit acquisition of future assets. He said the ability of the buyer to carry on their business with limitations around the long-term contract are the heart of this negotiation. The price is just one important element. It does not matter what the price is if they cannot get comfortable with the contract. He felt there was not an adequate amount of procedure in the protocol to deal with those issues.

Judge Allbee stated that what was being suggested was perhaps leaning beyond the stage of the Letter of Intent into due diligence.

President Pomerantz suggested that the Regents could tell Citadel, Broad Street and Belin that their offers appeared to have the potential for a viable long-term contract. The Regents would negotiate simultaneously with all three to determine who offered the best ultimate contract. They are after the contract, not the Letter of Intent.

Regent Berenstein again referred to language in the original Belin Letter of Intent which was deleted which stated that "buyer and sellers are executing this Letter of Intent to evidence their intention to proceed in good faith to carry out the transaction substantially in a manner outlined." He said language similar to that shows the definite standards pertaining to the credit. He noted that he had never participated in any transactions where the definitive agreement was closely aligned with the Letter of Intent. They can use the Letter of Intent as an outline to write the definitive agreement.

Regent Fitzgibbon said he felt they were talking about two separate steps. First, the proposal presented at this meeting is the protocol. The second step is to determine what vehicle is needed to move forward from there.

Judge Allbee stated that Mr. Hauser had reminded him that once the bidding process is accomplished there also may very well be a three-way negotiation to include a banking institution. He said the bidding process should not be tied to a definitive agreement. Once there is an analysis and valuation placed upon the bidding the Regents would move forward as fast as possible with due diligence.

President Pomerantz said he would be willing to accept that if there were some parameters around the Letter of Intent and not just a simple statement of the terms of the deal.

Judge Allbee stated that much of the notice process was drafted by counsel for Iowa State University Equities Corporation with Duff and Phelps present. The Ahlers firm had an opportunity to examine it and felt that it was very well done and very comprehensive. If there are specific areas that need further elaboration or refinement they can get that information from the Regents before it is promulgated.

VOTE ON THE MOTION:                      The motion carried unanimously.

Regent Berenstein asked for Mr. Hauser's opinion of what needed to be accomplished so the Regents could secure more than just a "walk in the woods."

Mr. Hauser stated that he was involved in the review, on the Regent's behalf, of the Iowa Television Group proposed Letter of Intent. Based on that review and all the things that have been learned about this process, he was concerned that there cannot be too much detail in the protocol. The current effort as developed by Iowa State University Equities Corporation is, as a matter of legal structure, about as far as they could go. He felt they did not want to get ahead of themselves in this transaction and attempt to determine things that will only be visible at the time that a definitive contract is proposed. After a Letter of Intent is created it is overwhelmingly probable that there will be an outside financial source involved in this transaction because of the amount of money involved. That was the reason he felt that they did not want to get too detailed until after the Letter of Intent. He added that it is not uncommon that after the best Letter of Intent possible is created, the transaction is not consummated for reasons that cannot be even speculated upon today.

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

Register of Personnel Changes for February 1992 which included early retirement approvals as follows:

JANICE S. BOWER, Coordinator III, retiring May 31, 1992;

JACK MICKLE, Professor, retiring May 20, 1992; and

RUTH ANN ROBSON, Assistant Professor, retiring June 30, 1992.

**MOTION:**

Regent Williams moved to approve the university's personnel transactions, as presented. Regent Johnson seconded the motion, and it carried unanimously.

**REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS.** The Board Office recommended the Board (1) defer approval of the project description and budget for the Memorial Union--University Bookstore Remodeling project pending further study of financing for the Memorial Union Master Plan and (2) approve the remainder of the Iowa State University capital register.

**PROJECT DESCRIPTIONS AND BUDGETS**

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

1993 Institutional Roads Projects--Mortenson Road Paving  
Source of Funds: 1993 Institutional Roads Funds

\$260,000

This project is part of the 1991 Institutional Roads Program approved by the Board in July 1991. Design and construction administration services will be performed by Story County as part of the proposed agreement. Construction will be contracted.

Memorial Union--University Bookstore Remodeling \$950,000  
Source of Funds: Master Lease Amortized by University Bookstore Revenues

Preliminary Budget

|                             |               |
|-----------------------------|---------------|
| Contracts                   | \$ 700,000    |
| Design Services             | 70,000        |
| Construction Administration | 7,700         |
| Miscellaneous               | 2,000         |
| Fixed Equipment             | 100,000       |
| Telecommunications          | 2,000         |
| Project Reserve             | <u>68,300</u> |
| TOTAL                       | \$ 950,000    |

Iowa State University officials did not provide information concerning its financing plan for the Memorial Union Master Plan. Therefore, the Board Office recommended deferral of this action pending further study of the financing plan under the Memorial Union Master Plan, including the use of the master lease program in the financing of construction projects. The Board Office noted that in July 1991 Iowa State University officials requested but did not receive Board approval to proceed with project planning and the program statement for the Memorial Union--Phase I project. The Board Office will address these issues with university officials and provide a report at the April Board meeting.

The renovation of the University Bookstore, which is a university department, remains a high priority for the university to provide a better level of service to the university community and enhance its economic viability. The university and the Memorial Union have explored methods to enhance and expand the retail area of the University Bookstore within the current lease area. This can be accomplished by converting storage space within the bookstore to retail space, as well as moving storage to off-site facilities. The total retail area can be increased from the present 11,000 square feet to approximately 14,300 square feet.

\* \* \* \* \*

University officials presented a revised budget on the following project.



IOWA STATE UNIVERSITY  
March 18, 1992

Applied Sciences Center--Center for New Industrial Materials

Nov. 1989 Budget \$6,352,634  
Revised Budget \$6,353,731

Project Budget

|                               | Budget<br>Approved<br><u>Nov. 1989</u> | Revised<br>Budget<br><u>March 1992</u> |
|-------------------------------|--|--|
| Construction Contracts        | \$ 5,135,574                           | \$ 5,178,916                           |
| Purchase Order Contracts      | 21,304                                 | 29,637                                 |
| Time and Material Work Orders | 0                                      | 10,597                                 |
| Design Services               | 591,745                                | 691,287                                |
| Construction Administration   | 89,280                                 | 104,677                                |
| University Services           | 70,000                                 | 84,219                                 |
| Miscellaneous                 | 25,000                                 | 9,782                                  |
| Landscaping                   | 20,000                                 | 24,021                                 |
| Utility Extensions            | 4,250                                  | 4,233                                  |
| Fixed Equipment               | 15,000                                 | 20,802                                 |
| Movable Equipment             | 1,400                                  | 1,438                                  |
| Art Work                      | 31,610                                 | 30,706                                 |
| Building Automation           | 139,500                                | 147,690                                |
| Telecommunications            | 20,000                                 | 15,726                                 |
| Project Reserve               | <u>187,971</u>                         | <u>0</u>                               |
| TOTAL                         | \$ 6,352,634<br>=====                  | \$ 6,353,731<br>=====                  |

|   | Budget<br>Approved<br><u>Nov. 1989</u> | Revised<br>Budget<br><u>March 1992</u> |
|---|--|--|
| Source of Funds: Department of Energy           | \$ 6,000,000                           | \$ 5,999,149                           |
| Parking Systems                                 | 50,000                                 | 50,000                                 |
| Air Force Office of<br>Scientific Research      | 22,000                                 | 22,000                                 |
| Overhead Reimbursement<br>for Use of Facilities | 250,000                                | 251,948                                |
| Iowa Lottery                                    | <u>30,634</u>                          | <u>30,634</u>                          |
|   | \$ 6,352,634<br>=====                  | \$ 6,353,731<br>=====                  |

This budget was increased \$1,097 from the last approved budget of \$6,352,634, which reflects additional expenditures realized during construction of the project.

The increase in the Design Services line item was due primarily to the \$92,463 increase in the architectural agreement with Rudi/Lee/Dreyer. This amendment was approved by the Board in January 1990 to accommodate a change in the scope of architectural services for this project.

The increase in the Construction Administration line item was the result of the project expanding to include a total of five phases as additional funding became available. As a result, the estimated time and fee for the services of the project manager expanded from that estimated in the original budget approved by the Board in June of 1987.

The source of funds to cover this increase will be the Overhead Reimbursement for Use of Facilities.

\* \* \* \* \*

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

\* \* \* \* \*

#### ARCHITECT/ENGINEER AGREEMENTS

|   |                 |
|---|-----------------|
| <u>Veterinary Medicine--Remodel Large Animal Housing Facilities</u> | <u>\$60,000</u> |
| KJWW Engineering Consultants, Des Moines, Iowa                      |                 |

In November 1991 the university received Board approval of an agreement with KJWW Engineering Consultants in the amount of \$43,000 to provide mechanical and electrical engineering services on this project. It was anticipated that architectural services would be provided by university staff. Since that time it has become apparent that it will not be possible for university staff to complete the architectural services in a timely manner. University officials requested approval to include architectural/engineering services for the design of the facility in the existing agreement with KJWW.

The agreement will provide for a fixed fee of \$60,000, including reimbursables.

#### Amendments:

|   |                 |
|---|-----------------|
| <u>Linden Hall Fire Safety Improvements</u> | <u>\$11,174</u> |
| George Butler Associates, Inc., Lenexa, KS  |                 |

University officials requested approval of Amendment No. 3 to the agreement with George Butler Associates in the amount of \$11,174. This amendment was necessary to cover expenses for additional design services in preparation for re-bidding the project.

Amendment No. 3 will not result in an increase in the total project budget.

Sweeney Hall--Addition and Renovation \$14.190  
Brown Healey Stone and Sauer, Cedar Rapids, Iowa

#### CONSTRUCTION CONTRACTS

##### Awarded:

Dairy Industry--Addition and Renovation--Phase III \$3,010,000  
Harold Pike Construction Company, Inc., Ames, Iowa  
(9 bids received)

#### ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

Meats Laboratory Addition--Phase I  
Webster Construction Company, Fort Dodge, Iowa

Molecular Biology Building--Bid Package No. 55  
Metafax Corporation, Des Moines, Iowa

Gilman Hall Renovation--Phase 3, Stage 2--Northeast Penthouse and Restrooms  
Harold Pike Construction Company, Inc., Ames, Iowa

#### FINAL REPORTS

Applied Sciences Center--Center for New Industrial Materials \$6,353,731

Applied Sciences Center--Auditorium \$642,294

##### MOTION:

Regent Williams moved to (1) defer approval of the project description and budget for the Memorial Union--University Bookstore Remodeling project pending further study of financing for the Memorial Union Master Plan and (2) approve the remainder of the Iowa State University capital register. Regent Johnson seconded the motion, and it carried unanimously.

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

PROTOTYPE ENGINEERING, INC. (Tenant)--University officials requested approval to lease business incubator space in the Iowa State Innovation System (ISIS) facility to Prototype Engineering, Inc. This lease is for 257 square feet of space for a six-month period commencing January 1, 1992, through June 30, 1992, at a rate of \$10.51 per square foot, or \$225 per month (\$2,700 per year).

CIMTECHNOLOGIES CORPORATION--This lease renewal is for approximately 165 square feet of space beginning March 7, 1992, on a month-to-month basis at a rate of \$18.18 per square foot, or \$250 per month (\$3,000 per year), which is the same rate as the previous lease period;

IMPEX INTERNATIONAL--This lease renewal is for approximately 250 square feet of space in the Iowa State Innovation System Center beginning April 1, 1992, on a month-to-month basis at a rate of \$10.80 per square foot, or \$225 per month (\$2,700 per year), which is the same rate as the previous lease period;

KLOMAR TECHNOLOGY--This lease renewal is for approximately 110 square feet of space in the Iowa State Innovation System Center beginning March 1, 1992, on a month-to-month basis at a rate of \$7.64 per square foot, or \$70 per month (\$840 per year), which is the same rate as the previous lease period;

LASER SCIENCE COMPANY--This lease renewal is for approximately 165 square feet of space in the Iowa State Innovation System Center beginning March 1, 1992, on a month-to-month basis at a rate of \$16.73 per square foot, or \$230 per month (\$2,760 per year), which is the same rate as the previous lease period;

METABOLIC TECHNOLOGIES, INC.--This lease renewal is for approximately 165 square feet of space in the Iowa State Innovation System Center for a six-month period beginning March 1, 1992, through August 31, 1992, at a rate of \$16.36 per square foot, or \$225 per month (\$2,700 per year), which is a 12.5 percent increase over the previous lease period.

MOTION:

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

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

NAY: None.

ABSENT: Hatch.

IOWA STATE UNIVERSITY  
March 18, 1992

President Pomerantz 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 18, 1992.

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

Register of Personnel Changes for January and February 1992 which included promotion and tenure actions and early retirement approvals as follows:

ANNA ARMSTRONG, Clerk IV, retired February 1, 1992;

KATHY NICOL, Assistant Manager, retired February 1, 1992; and

VI REIMER, Clerk IV, retired March 1, 1992.

**MOTION:**

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

**PRINCIPLES AND STANDARDS FOR PROMOTION AND TENURE.** The Board Office recommended the Board approve the revised "Principles and Standards for Promotion and Tenure at the University of Northern Iowa" effective immediately.

University of Northern Iowa officials requested approval of a revision to its policy on "Principles and Standards for Promotion and Tenure."

A sentence was inserted stating explicitly that only probationary faculty are eligible to be considered for tenure to protect claims to tenure by individuals not on probationary appointments.

The new policy states more clearly than the prior document that a candidate must have a documented record of accomplishment in teaching, scholarship and/or creative achievement, and professional service. This section also reflects the primacy of teaching at the University of Northern Iowa.

The revised policy links promotion to associate professor with tenure.

The policy implements the recommendations on the Price Lab School approved by the Board in April 1990 concerning the tenure status of instructors in the laboratory school.

**MOTION:**

Regent Williams moved to approve the revised "Principles and Standards for Promotion and Tenure at the University of Northern Iowa", effective immediately. Regent Johnson seconded the motion, and it carried unanimously.

**PROPOSED CURRICULUM CHANGES.** The Board Office recommended the Board refer the university's request for curricular changes to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

University of Northern Iowa officials submitted its curricular revisions for Board approval. This report transmits to the Board proposals for changes that are considered on a two-year cycle consistent with the publication of the university's catalog. Two new majors were proposed:

- Middle School/Junior High School Education-Teaching
- Russian Major

Three new minors were proposed:

- Writing Minor
- Portuguese Minor
- Geology Minor

One hundred four new courses were proposed with 57 present courses proposed to be dropped. Several areas account for the majority of these new offerings.

**ACTION:**

This matter was referred by consent.

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

**PROJECT DESCRIPTIONS AND BUDGETS**

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

\* \* \* \* \*



ARCHITECT/ENGINEER AGREEMENTS

Amendments:

Road and Walk Improvements--1990 \$20,000  
Robinson Engineering, Waterloo, Iowa

CONSTRUCTION CONTRACTS

Bartlett Hall--HVAC System and Windows--Phase I--Windows \$435,620  
Award to: Robinson Energy Efficient Products, Inc., Baxter, Iowa  
(6 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

Schindler Education Center--Exterior Improvements \$290,203  
Prairie Construction Company, Inc., Waterloo, Iowa

Wright Hall Classroom Furnishings--Divisions IA and II \$89,755.44  
E & I Cooperative Service, Inc., Dallas, Texas

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

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



## IOWA SCHOOL FOR THE DEAF

The following business pertaining to Iowa School for the Deaf was transacted on Wednesday, March 18, 1992.

**RATIFICATION OF PERSONNEL TRANSACTIONS.** The Board Office stated that the Register of Personnel Changes had not been received as of the mailing of docket books and would be included in next month's report.

**REVISION OF CORPORAL PUNISHMENT POLICY.** The Board Office recommended the Board approve the revision of the Policy on Corporal Punishment at the Iowa School for the Deaf.

Iowa School for the Deaf officials requested a revision in the school's policy on corporal punishment. The proposed change reflects changes recently made in the Iowa Code with respect to what is "not corporal punishment" and includes restraints included in an individualized educational program (IEP) for a special education student. The revision includes an exception for actions required as a part of the individual educational programs (IEP) that are developed for all disabled elementary/secondary students.

This policy was reviewed by the Attorney General's Office and changes recommended by the Attorney General's Office were incorporated.

Superintendent Johnson stated that school officials, as a rule, do not restrain students. However, if it is included in the IEP and the parent is agreeable school officials could restrain a student.

**MOTION:** Regent Furgerson moved to approve the revision of the Policy on Corporal Punishment at the Iowa School for the Deaf. Regent Williams seconded the motion, and it carried unanimously.

President Pomerantz then asked Board members and institutional executives if there were additional items for discussion pertaining to 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 18, 1992.

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

Register of Personnel Changes for the period January 19 to February 29, 1992.

**MOTION:**

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

**REVIEW OF PROGRAMS.** The Board Office recommended the Board approve actions as noted on each item below.

In June 1991 the Board directed each of the Regent institutions to institute an intensive and comprehensive review of its programs and services. The institutions' initial responses to that request were presented to the Board in December.

Iowa Braille and Sight Saving School now presented reports and final recommendations on five areas that were identified in December as needing further study or review. The five areas are: (1) a review of the Braille Services Department, (2) integration of IBSSS students into classes at the Vinton-Shellsburg Community Schools, (3) team teaching, (4) whole class sharing, and (5) employee schedule sharing/trading.

The Board Office reviewed the school's reports and recommendations, and recommended approval of the recommendations and requested actions as follows:

- (1) Continue the employment of a full-time, twelve-month Clerk-typist III for the Braille Services department. The person in this position would be responsible for braille production and would assist with large print textbook production. This arrangement would ensure the continuous availability of braille production and would eliminate the need to hire and train an assistant for large print production each summer.
- (2) Iowa Braille and Sight Saving School recommended that the following criteria for integration of IBSSS students into Vinton-Shellsburg Community Schools be approved effective fall 1992:

For a student to be fully integrated into the Vinton-Shellsburg Community Schools, all of the following criteria must be met. For a partial integration (one to three periods per day) a student must meet the first three criteria.

1. Recommendation by a minimum of two faculty members
  2. Recommendation and/or approval by parents/guardians
  3. Student's expressed desire to participate
  4. Student demonstrates appropriate work habits:
    - 4.1 Punctuality
    - 4.2 Ability to take classroom notes
    - 4.3 Self initiative
    - 4.4 Organization of and responsibility for assignments and materials
    - 4.5 Orientation and mobility enabling him/her to change classrooms independently
- (3) Approve the expansion of team-teaching as appropriate and necessary at the Iowa Braille and Sight Saving School.
- (4) Approve and support the school's efforts to expand the concept of whole class sharing with Elementary II and Elementary III classrooms to begin in the fall of the 1992-93 school year.
- (5) As the school has experienced considerable difficulty maintaining appropriate staff/student ratios, Iowa Braille and Sight Saving School recommended not using the strategy of employee schedule sharing/trading at this point in time. It may be possible in the next few years to return to this concept with the Board's approval sought then.

The recommendations regarding integration of students, team teaching, and class sharing represent ways of using present staff resources more efficiently and/or ways of making better use of available outside resources.

The reviews and recommendations regarding the Braille Services Department and employee schedule sharing/trading demonstrate that previously undertaken reductions have already resulted in efficiency gains, and that additional reductions could begin to impair the school's ability to handle its workload and carry out its mission.

In June 1992 the school will present reports and recommendations on: (1) a cost/benefit analysis of privatization of some the school's support services, (2) a review of the structure of the maintenance/physical plant department, (3) closing the school dining room during weekends, and have residential staff prepare meals in the dormitories during weekends when students are on campus, (4) limiting the development of the competency-based program, and (5) restricting student off-campus activities and staff off-campus activities to a bare minimum.

IOWA BRAILLE AND SIGHT SAVING SCHOOL  
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Superintendent Thurman described the labor-intensive production of braille at Iowa Braille and Sight Saving School as well as how technology is impacting the way braille is produced.

Dr. Ivan Terzieff, Director of Educational Services at Iowa Braille and Sight Saving School, discussed the integration of Iowa Braille and Sight Saving School students into the Vinton-Shellsburg Community Schools.

Regent Williams said it was great that school officials were developing these guidelines. She then referred to Public Law 94-142 and cautioned that school officials make sure their policies are in keeping with the legislation.

Dr. Terzieff responded that the policies do fit the federal legislation and are applicable to every student.

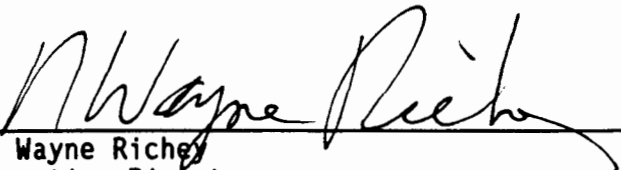
Regent Dorr asked how many of the school's students participate in the Vinton-Shellsburg schools' programs. Dr. Terzieff responded that 21 Iowa Braille and Sight Saving School students attended at least one course at the community school, which is about one-third of Iowa Braille and Sight Saving School's student population.

Superintendent Thurman stated that the relationship between Iowa Braille and Sight Saving School and the Vinton community schools has grown over many years, and is growing even stronger.

MOTION: Regent Williams moved to approve actions as noted on each item. Regent Johnson seconded the motion, and it carried unanimously.

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

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 2:27 p.m., on Wednesday, March 18, 1992.

  
R. Wayne Richey  
Executive Director