

The State Board of Regents met on Wednesday, March 23 and Thursday, March 24, 1988, at the River Center, Davenport. The following were in attendance:

	<u>March 23</u>	<u>March 24</u>
<u>Members of State Board of Regents</u>		
Mr. Pomerantz, President	Excused	Excused
Mr. Duchon	All sessions	Excused
Mr. Fitzgibbon	All sessions	All sessions
Mr. Greig	All sessions	All sessions
Dr. Harris	All sessions	All sessions
Mr. Tyler	All sessions	All sessions
Miss VanEkeren	All sessions	All sessions
Mr. VanGilst	All sessions	All sessions
Mrs. Williams	All sessions	All sessions
<u>Office of the State Board of Regents</u>		
Executive Secretary Richey	All sessions	All sessions
Director Barak	All sessions	All sessions
Director True	All sessions	All sessions
Director Wright	All sessions	All sessions
Associate Director Chebuhar	All sessions	All sessions
Director Maxwell	All sessions	All sessions
Assistant Director Peters	All sessions	All sessions
Minutes Secretary Briggie	All sessions	All sessions
<u>State University of Iowa</u>		
President Remington	All sessions	All sessions
Vice President Hubbard	All sessions	All sessions
Vice President Phillips	All sessions	All sessions
Associate Vice President Moll	All sessions	All sessions
Associate Vice President Small	All sessions	All sessions
Assistant Vice President Rhodes	All sessions	All sessions
Director Cooper	All sessions	All sessions
<u>Iowa State University</u>		
President Eaton	All sessions	Excused at 10:20 a.m.
Exec. Vice President McCandless	All sessions	Excused at 10:20 a.m.
Vice President Madden	All sessions	Excused at 10:20 a.m.
Assistant to President Crawford	All sessions	Excused
Director Lendt	All sessions	Excused at 10:20 a.m.
<u>University of Northern Iowa</u>		
President Curris	All sessions	Excused
Provost Martin	All sessions	Excused at 10:30 a.m.
Vice President Conner	All sessions	Excused at 10:30 a.m.
Vice President Follon	All sessions	Excused at 10:30 a.m.
Exec. Ass't. to Pres. Stinchfield	All sessions	Excused at 10:30 a.m.
Director Chilcott	All sessions	Excused at 10:30 a.m.
<u>Iowa School for the Deaf</u>		
Superintendent Johnson	All sessions	Excused at 9:34 a.m.
Business Manager Kuehnhold	All sessions	Excused at 9:34 a.m.
<u>Iowa Braille and Sight Saving School</u>		
Superintendent Thurman	All sessions	Excused at 9:55 a.m.
Director Hauser	All sessions	Excused at 9:55 a.m.

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The following business pertaining to general or miscellaneous business was transacted on Wednesday, March 23 and Thursday, March 24, 1988.

Acting President Harris informed the members that President Pomerantz would be absent from this meeting due to a death in his family and had asked him to preside.

Regent Williams welcomed the Regents, institutional personnel, Board Office staff, and visitors to Davenport on behalf of city officials and the educational community in the quad cities. Ms. Williams introduced the guests from the Davenport area.

Acting President Harris introduced Mike Chebuhar and welcomed him to his first Board of Regents meeting as Associate Director of Business and Finance in the Board Office.

APPROVAL OF MINUTES OF BOARD MEETING, FEBRUARY 17-18, 1988.

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

ACTION: Acting President Harris declared the Minutes of the February 17-18, 1988, meeting approved by general consent.

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

REPORT ON QUAD CITIES GRADUATE CENTER. The Board Office recommended the Board receive the report on the Quad-Cities Graduate Study Center.

The Quad-Cities Graduate Study Center is a cooperative endeavor between the states of Iowa and Illinois and several institutions of higher education from both states. Through the center, residents of both states may earn masters degrees in several disciplines: Business Administration, Computer Science, Education, Engineering, English, Law Enforcement Administration, Physical Education, and Social Work. In addition, the center coordinates courses in such diverse fields as Art, Biology, Health Education, History, Library Science, Nursing, Psychology, and Religion. With its member institutions, the center also offers non-credit courses and workshops.

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The center facilitates degree programs and courses, functioning as a catalyst between the institutions and the needs of the Quad-Cities community. Member institutions cooperatively offer degree sequences and courses so that students may pursue degrees in their home and work community.

The center began in the late-1950s when citizens, businesses and industries in the Quad-Cities area became aware of a critical lack of graduate study opportunity. Activities by these individuals eventually resulted in the founding of an experimental educational enterprise known as the Quad-Cities Graduate Study Center. The center was incorporated in 1969, when area businessmen and engineers persuaded the universities of Illinois and Iowa to offer some courses. Today, the center serves some 3,000 students. The center itself has no faculty, library, or campus. The member institutions provide the faculty and the center supplements local library holdings, and leases space throughout the Quad-Cities.

Director Barak introduced Janet Lessner, Executive Director of the Quad-Cities Graduate Study Center.

Ms. Lessner stated the Quad-Cities Graduate Study Center is known nationally as one of the most successful and innovative models for delivery of off campus education anywhere in the country. Students enrolled in degree programs apply to a member institution and are then able to take courses from any of the institutions that offer courses in that area. All students are treated as in-state students. Member institutions take turns offering courses and there are also programs that have only one institutional sponsor. She said the center offers advising, counseling, library, registration, instructional support (computer, audio-visual and teleconferencing) and standardized testing services. Ms. Lessner noted that the center serves more female than male students and the majority of their students are non traditional.

Regent Fitzgibbon noted that enrollments declined during the 1976-1986 period while at the same time the center's funding doubled. He asked what factors caused the increase in funding.

Ms. Lessner responded that the number of students is the least critical factor relating to funding. During that ten-year period the center introduced new degree programs which correspondingly increased library and administrative costs.

Regent Fitzgibbon asked if Ms. Lessner meant the increased costs were mainly for administration of the center. Ms. Lessner responded that the organization has become more complex. However, she said the administrative personnel expense was not great because the personnel consisted of the executive director, an assistant director, one full-time secretary and a half-time secretary.

Ms. Lessner presented data that showed there has been a disparity over the years between the number of Iowans served and the proportion of funds provided by the state of Iowa. Most students are from Iowa and Iowa's contribution in recent years has been less than that provided by the state of Illinois.

ACTION: Acting President Harris stated the Board received the report on the Quad-Cities Graduate Study Center by general consent.

REPORT OF MEETING OF IOWA COORDINATING COUNCIL. The Board Office recommended the Board receive the report of the March meeting of the Iowa Coordinating Council for Post-High School Education.

The Iowa Coordinating Council's March meeting was held at Grandview College in Des Moines. The following is a summary of the major topics of discussion at the meeting.

Summer Institute Evaluation. The Coordinating Council heard a report on the evaluation by outside consultants of the Iowa Summer Institute program, a lottery-supported grant program jointly administered by the Iowa Coordinating Council for Post-High School Education and the Iowa College Aid Commission. The evaluation was basically positive but contained a number of specific points for improvement. A committee has been asked to review these recommendations and to provide a report with suggested changes to the Coordinating Council.

Regent Williams noted there was also discussion concerning the requirement for a uniform length of programs. The council is working on eliminating that requirement.

Report on Legislative Activities. Each of the sectors gave brief reports on the status of legislative matters. There was general discussion regarding the difficulty in obtaining appropriate funding from the legislature, especially this session.

New Programs. New programs and program changes were accepted for the area colleges (Merged Area I - Quality Control Technology and Merged Area VIII - Fashion Merchandising) and the University of Iowa (Termination of M.A. and Ph.D. programs in Theatre Arts and proposal for B.A. and B.S. degrees in Mathematics).

ACTION: Acting President Harris stated the Board received the report of the March meeting of the Iowa Coordinating Council for Post-High School Education by general consent.

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REPORT ON ENROLLMENT TRENDS. The Board Office recommended the Board (1) receive the report on higher education enrollment trends and (2) request that the university long-range plans address the implications of the projected enrollment trends.

At the February Board meeting, Regent Fitzgibbon asked that a report be prepared on the causes of recent enrollment declines being experienced by the Regent universities.

Iowa's postsecondary education enrollments have been impacted by demographic trends that include a decreased number of 18-year-olds. The decrease in 18-year-olds has been partially offset by higher participation rates of persons in other age brackets and an increased number of high school graduates going on to postsecondary education in recent years.

Like their counterparts nationally, the independent colleges and, to some extent, the area schools have been aggressive in recruiting students. Their efforts have been helped by the economic situation in Iowa, as high school graduates not finding work and wishing to improve their job prospects have gone on to postsecondary education in greater numbers. In addition, it has been suggested that the proposed increased admission requirements and the recent increases in Regent tuition have caused some potential Regent students to enroll in the other sectors. Increased state appropriations for financial assistance to students in the independent colleges may also be an important factor.

The Board Office noted it appears that projected enrollments, both nationally and in Iowa, will continue to decrease until at least the end of the decade unless substantial intervention efforts are undertaken. This reduction will likely increase the competition between sectors as each attempts to maintain enrollment levels. The implications of the projected declines should be addressed in the long-range plans currently under development at the universities and in the organizational audit on strategic planning by the Board of Regents.

Mr. Richey pointed out that the information developed by the Board Office showed that the rate of decrease in Iowa is greater than that expected nationally or regionally. He reminded Board members that the basic demographic aspect and the trend toward a decrease in the number of 18-year-olds would be factors to be considered in the development of strategic plans. He noted that he had asked Dr. Barak to make a major effort along those lines.

Regent Fitzgibbon stated he was concerned that as discussion is held regarding the possibility of an 11 - 15 percent decrease in enrollments, increasing fees at the universities, and the university building programs, the Board should also look at the health of the institutions 20 years from now. He suggested everyone needed to agree they are proceeding in the right

direction. He said there were many factors to be considered including the basic fundamentals of running a business. For example, he said the Board would be discussing increasing residence fees at this meeting. He said that with the decrease in enrollments the buildings will have more room. There has been talk about buildings being slated for a single purpose. Regent Fitzgibbon noted there was not an immediate answer to such questions but felt it warrants ample time of the Board to study it thoroughly. He believed the Board members were willing to take the time to make sure the institutions are headed in the right direction.

Mr. Richey noted that one of the aspects of the organizational audit is to establish the process for the strategic planning process. While that process is being developed the institutions will be working on institutional long-range plans to present to the Board at the end of this year.

Regent Fitzgibbon stated that in order for the universities to develop legitimate long-range plans they need a feeling from the Board whether enrollments should be decreased.

Mr. Richey stated that as part of the strategic planning study enrollments can be projected on different assumptions. He said there are some alternatives for managing enrollment trends.

Regent Duchen stated he felt the question Regent Fitzgibbon was also asking was whether they really wanted to let enrollments go down even considering that there are some unknowns, such as federal government funding and financial aid. He asked whether the Regents wanted to market their products and compete with the private institutions. He said the responsibility for that decision is at the Board level. The Board members needed to be thinking about what they want to happen.

Regent Williams stated she believed the organizational audit effort is a key part of any strategic planning for the universities. They need to get underway with that auditing to supply the information so the Regents can determine what they need to do.

Acting President Harris stated there is a need for the state as a whole to devise plans to keep our young people in the state. He said the Board of Regents can only do so much.

Regent Fitzgibbon stated it is the responsibility of the Board of Regents to show some leadership in that area. He said right now the lack of leadership is evident. He felt the Board is strong enough to take a position. He said it will be good for the state and everyone who lives here to get out front with this and take a leadership role. He encouraged the Board to get in that leadership role.

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President Curris stated that historically there has been enough evidence to suggest tuition levels directly impact attendance at college. He referred to New York Times statistics which show that since 1980 the cost of public universities has gone up an average of 61 percent, private colleges are up 80 percent, and in Iowa tuition is up 100 percent. He said costs are going up all across the country. Median family income has gone up at only 50 percent of the rate of tuition increase. He said these trends are already creating some very disturbing statistics.

Mr. Richey stated the Board has made it clear over the past several months that it fully expects a rather modest tuition adjustment this fall for the following year.

Regent VanEkeren stated she agreed wholeheartedly with Regent Fitzgibbon. She referred to a suggestion by Vice President McCandless that the governing boards of the institutions should give scholarships to all Iowa residents who rank in a certain percentage.

Vice President McCandless stated the Missouri state legislature grants students who score in the top 3 percent a \$2,000/year 4-year scholarship.

Mr. Richey noted improvements are scheduled for the state scholarship program in this session.

President Remington referred to a chart developed by the Board Office which showed Regent universities fall headcount 1965-1987 actual and 1988-1997 projected. He said that in the late-1970s the enrollment projections for the University of Iowa showed enrollments decreasing. At that point university officials made a decision to turn that around. The projections in 1978-79 were driven almost entirely by the number of 18-year-olds in the system. The projections were made on demographics that did not come to pass. He said that everything being said about enrollments is an over simplification. He assured the Regents there was no decision or plan at the University of Iowa to decrease enrollment. What they plan to do is to manage that decrease so it is minimized. He said the second leg of the demographic downturn is beyond anyone's control because the trend is so steep. He noted that the enrollment increase experienced at the University of Iowa in the early-1980s was not accompanied by any increase in funding. He felt that university officials had been successful one time in managing that, but that another enrollment increase unaccompanied by a budget increase would not be helpful.

Regent Greig stated the question seemed to be whether the Regents were going to react or not. He agreed with Regent Fitzgibbon that this is the key to where the universities are going to be in the next 15 years.

MOTION:

Regent Williams moved to (1) receive the report on higher education enrollment trends and (2) request that the university long-

range plans address the implications of the projected enrollment trends. Regent Fitzgibbon seconded the motion.

Regent VanGilst noted that during the last 10 years the university enrollments increased by about 10,000 students. Looking at the demographics for the next 10 years he said it appeared enrollments will decrease by 10,000 students. He said he kept hearing that an increase in funding did not accompany the increase in enrollments, and asked whether that meant that when the universities experience a decrease in enrollments they will not need as much funding.

Mr. Richey stated that a substantial portion of the increase in students was in non-resident students. The institutions are receiving less funding now even without any loss of state appropriations because they lost a large number of non-resident students.

VOTE ON THE MOTION: The motion carried unanimously.

REPORT OF MEETING OF IOWA COLLEGE AID COMMISSION. The Board Office recommended the Board receive the report.

The Iowa College Aid Commission met on March 8. The report on legislative activities relating to the commission noted that the Senate Subcommittee on Appropriations recommended \$500,000 in additional funding for the Iowa College Work Study Program. The recommended appropriation for the Iowa Tuition Grant Program was reduced by \$2,300,000.

The commission staff reported information on the student budgets that are utilized for calculation of student aid for Iowa colleges and universities. The budget for independent institutions accredited by North Central that are eligible for Iowa Tuition Grants is pegged at \$10,765 in fiscal year 1989. The comparable budget for Regent universities is set at \$5,477. The figures include tuition, fees, room and board as well as a standard allowance of \$1,450 for books, transportation and personal expenses.

ACTION: Acting President Harris stated the report was received as a consent item.

ORGANIZATIONAL AUDITS. The Board Office recommended the Board (1) approve the proposed Phase II audit areas, specific work plans, time schedules and maximum costs; (2) approve the cost allocations for Regent-wide activities as shown below and up to an additional \$13,200 for Regent-related costs in conducting the organizational audits; and (3) authorize the Executive Secretary to execute an agreement with Peat Marwick Main and Company.

In January the Board of Regents received a report and recommendations from Peat Marwick Main/MGT of America regarding Phase I of the organizational

audits. The Board authorized the development of specific recommendations for Phase II and preliminary recommendations were presented to the Board in February. At the February Board meeting, the Board approved the proposed Phase II audit areas and authorized the Board President assisted by the Board Office and the ad hoc committee to develop a time schedule and specific work plan for the audits and to negotiate a contract for consideration by the Board at its March meeting.

The development of specific audit areas was completed along with work schedules and work plans. The proposed Phase II audit would consist of 11 Regent-wide projects, 8 projects at the University of Iowa, 5 at the University of Northern Iowa, 6 at Iowa State University, 3 at the Iowa Braille & Sight Saving School, and 2 at the Iowa School for the Deaf.

The estimated cost of the Phase II audits consists of \$1,063,344 in professional fees, \$258,916 in expenses for Peat Marwick Main and Company for a subtotal of \$1,322,260, and \$13,200 for Board-related expenses. The projects will begin immediately and all are scheduled to be completed by February 1989.

Mr. Richey noted that President Pomerantz negotiated the fees down to \$1 million and expenses are a percentage of that amount. The original figure had also been negotiated downward from what was presented to the Board last month by the elimination of some of the audits that were not the highest priority. Also, the number of hours anticipated to be charged for a project were reduced to a figure the committee thought the effort would require.

The cost of studies for each institution would be borne by that institution as the costs are incurred in fiscal year 1988 and fiscal year 1989. Regent-wide study costs are joint costs and are to be allocated. Peat Marwick Main and Company was asked to examine the Regent-wide studies and recommend a cost allocation based upon the relative effort required with each institution to accomplish the Regent-wide activities. The proposed allocation is as follows:

University of Iowa	\$250,270
University of Iowa Hospitals and Clinics	71,506
Iowa State University	250,270
University of Northern Iowa	<u>143,012</u>
TOTAL	\$715,058

The Phase II proposal was reduced in scope from that proposed by Peat Marwick Main and Company in January and in the preliminary report last month. The items dropped from this proposal include facilities utilization which will be undertaken by a specialized consultant, a review of the Iowa State University Extension Service which is already underway (but could be added at a later date if found necessary), and another Iowa State University item related to

Professional & Scientific employees where another consultant is being considered. There were also items at each of the universities regarding internal data management that will be individually pursued as determined by the institutions.

Regent Tyler stated he hoped that both the Board and the institutions pledged that they will implement the recommendations and not leave the reports sitting on the shelves.

Mr. Richey stated planning is a very major aspect of the study. The strategic planning process is to start immediately and be finished by November 1988. In response to Regent Tyler's concern last month that some of the early attention be placed on the Board itself, Mr. Richey noted that will get underway immediately and be completed by early-summer.

Regent Harris asked for the source of funds the universities will use to pay their portions of the costs. Mr. Richey responded they will use any and all funds. Also, they can split the costs between fiscal years -- some prefer to pay more of the costs this year rather than next and some want to pay next year. He said that primarily the funds will come from the general operating budgets and from the University of Iowa Hospital budget.

MOTION:

Regent Williams moved to (1) approve the proposed Phase II audit areas, specific work plans, time schedules and maximum costs; (2) approve the cost allocations for Regent-wide activities as presented and up to an additional \$13,200 for Regent-related costs in conducting the organizational audits; and (3) authorize the Executive Secretary to execute an agreement with Peat Marwick Main and Company. Regent VanEkeren seconded the motion, and it carried unanimously.

Regent Tyler asked if anything can be done about the allocation of the costs to the special schools. He was concerned that their fees were a far larger percentage of their budgets than were the universities'.

Mr. Richey responded that the Board Office and committee will work with them as much as possible.

Regent Duchon reminded the Board that when discussion first began about an audit he insisted he would go along if the special schools are given full blown attention and are treated in a special way.

Mr. Richey responded that both of the superintendents have been very directly involved in the meetings of the committees and the scoping of the audits for their institutions.

LEGISLATIVE REPORT, 1988. The Board Office recommended the Board receive the report on legislative activities and approve the recommended positions on bills being followed.

Education Appropriations

Senate File 2312 is the Senate Education Appropriation bill. The proposed bill contains a reduction of \$1.1 million from the Governor's recommended fiscal year 1989 appropriation for the Board of Regents. The reduction is taken from all budget units and includes a reduction of \$160,000 for the University of Northern Iowa which was intended for fiscal year 1989 debt service on the bonds to finance the boiler replacement project.

The bill contains language which would require \$500,000 for the University of Iowa and Iowa State University and \$250,000 for the University of Northern Iowa to be expended for teaching excellence awards to teaching faculty members and teaching assistants. These funds would come from the General University appropriations. In addition, Iowa State University is required to expend \$65,000 from the General University appropriation for the Iowa State Water Resources Research Institute.

Senate File 2312 as passed by the Appropriation Committee requires that the Regents study the child care needs at each university. The Board is required to present a report to the General Assembly no later than November 30, 1988.

The bill also contains a requirement that the Board of Regents shall provide written notice of meetings of the priority issues study groups to any interested person. There is a proposed amendment which would strike this provision.

Governor's Salary Bill

The Governor submitted his salary recommendations to the legislature for consideration. This bill contains the new salary funding which the Governor recommended for the Regents for fiscal year 1989. Contained in this bill is a recommendation of \$24.9 million for Regent salary adjustment. This is in addition to the \$2.7 million in salary annualization recommended by the Governor in the Regents General University appropriations. The Governor's total recommended salary adjustment for the Regents is \$27.6 million.

The Governor's salary bill also establishes new salary ranges for certain appointed officials. The Governor has recommended increasing the amount which can be paid under the salary ranges. The proposed bill recommends that the top range contain the salary for the executive secretary of the Board of Regents.

Bills of Interest to the Board of Regents

A number of legislative issues of concern to the Regents are discussed briefly in the following:

Senate File 2025/House File 2046 relates to student membership on the Board of Regents.

The Board has adopted a position of opposition to this bill. This bill requires that one of the members of the State Board of Regents be a student or recent graduate of one of the three institutions of higher education under the control of the State Board of Regents. House File 2046 has passed the House and is on the Senate Debate Calendar. The Senate version has passed out of Senate Education Committee and is also on the Senate Debate Calendar.

House File 2345 establishes a separate Board of Educational Examiners for the certification of administrators, supervisors, school service personnel, and teachers.

The State Board of Education previously was granted this function. The Board of Educational Examiners also is granted the duties of the Professional Teaching Practices Commission and the commission is abolished. In addition, a certification advisory committee is established to advise the Board of Educational Examiners on teaching certification and teacher education programs. The Board Office recommends opposition to this bill which would create a separate advisory committee which would make recommendations on the requirements and standards for the preparation and certification of teachers.

House File 2377 provides that the Regents may issue up to \$15 million in zero-coupon bonds in denominations so that parents can buy them to pay for the college costs of children. The bill directs the College Aid Commission to prepare an educational program and marketing strategy to teach parents about the need for early savings for college. The Regents are required to pay this marketing expense and the bond sale may be structured to pay for the cost. The Board Office recommended support for this bill subject to the amount of zero-coupon bond authorized being increased to \$19 million. The authorization of \$15 million in zero-coupon bonds is below the Governor's recommendation. This amount needs to be increased or the tuition replacement appropriation will not be sufficient to cover fiscal year 1989 debt service.

House File 2403 establishes a nine-member board of trustees of the University of Iowa Hospitals and Clinics. The trustees are appointed by the Governor and actions of the board of trustees are subject to approval by the State Board of Regents. The actions of the Board include responsibilities in hospital governance, purchasing, construction,

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maintenance of buildings, employment of the administrator, approval of employee compensation, employee supervision, review and approval of prices, recommending the annual budget, and filing reports. The State Board of Regents is required to maintain the board of trustees and provide delegation necessary for the board of trustees to function. The Board Office recommended opposition to this bill which would undermine the governance responsibilities of the State Board of Regents.

House File 2437 requires that the Board of Regents cause to be performed a comprehensive energy study of all facilities. The Board of Regents is required to implement energy conservation measures identified in the analyses which do not require more than an aggregate period of six years for pay back of the improvements. The bill also requires the agency responsible for renovating or constructing a new facility to submit a life cycle cost analysis for the approval of the State Building Code Commissioner. The analysis must be approved prior to the development of final building specifications. The Board Office recommended a position of opposition to this bill which contains mandatory requirements without consideration of appropriate economic and practical factors.

Senate File 2193 directs the State Board of Education to adopt rules relating to approved teacher education programs. The bill also allows an individual who has satisfactorily served as a cooperating teacher for a student teacher from any of the Regent universities to enroll without tuition charge in a one semester graduate level course not exceeding three graduate credits. In addition, a faculty exchange program is established between Regent universities and the board of directors of school districts. Each university shall establish two adjunct faculty positions for certificated teachers employed in school districts in this state. The Board Office recommended opposition to this bill.

House File 2415 provides for programs of early retirement incentives for state employees similar to the early retirement incentive programs enacted in 1986. State employees who will be 62 years old by July 1, 1988, may choose to retire and be eligible for either a lump sum payment equal to ten percent of the final annual salary, not to exceed \$5,000, or continue enrollment in the health, life, and dental insurance programs until reaching age 65. The Regent institutions currently have established early retirement programs for professional and scientific staff and faculty and implemented this program for merit employees for a one year period in 1986. The Board Office recommended monitoring this legislation.

House File 2438 provides for the appropriation of monies from the petroleum overcharge account for fiscal year 1989. The bill includes appropriations to Iowa State University of \$75,000 for the Water Resources Research Institute, \$70,000 for the Energy Extension Service Program, and \$500,000 for the energy-related activities of the amorphous

semi-conductor project. The Board Office recommended monitoring this bill.

House File 2370 requires state agencies to pay the same sewer rate as other users without appropriate consideration of cost. The Board Office recommended opposition to this bill.

In addition to the bills identified specifically, the Board Office and institutions are monitoring a number of legislative proposals with potential impact on the Regent institutions.

Director True noted that this legislative session is expected to be completed by the April Board of Regents meeting.

Director True stated the senate appropriations bill includes a total reduction of \$1.15 million from the Governor's recommendation for the Regent institutions. The largest percentage cut in any unit is for the Board Office budget. Director True noted there is a great deal of intent language in the bill. It includes language to create a national center for the talented and gifted at the University of Iowa. Another requirement of the bill imposes mandatory sales tax on computer equipment sold to faculty and staff.

Director True stated that during the last two weeks the Governor's salary bill has not been considered by the House or Senate.

Mr. Richey stated that if House File 2370, concerning city sewer rates, passes the General Assembly the Board should ask the Governor to veto it. He said the senate bill establishes a lot of intent language. The House will review and act on this bill in a few days.

Regent VanGilst asked if the joint educational appropriations sub-committee decided on the appropriations. Mr. Richey said each house is coming out with its own. The House version cuts Regent institution funding at half of what the Senate cuts and has less intent language at this point.

ACTION:

Acting President Harris stated the Board received the report on legislative activities and approved the recommended positions on bills being followed by general consent.

REPORT ON FIRE SAFETY. The Board Office recommended the Board (1) receive institution reports and direct that annual reports on fire safety be prepared and submitted to the Board and (2) direct that the Executive Secretary of the Board be notified immediately of any recommendation by the State Fire Marshal or local fire department to close any building or portion of any building owned or leased by the Board.

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At the February Board meeting students from the University of Iowa expressed concern about fire safety deficiencies at the university. As a result of that presentation the Board requested that comprehensive reports be prepared and submitted for consideration at the March meeting. The Board requested the Board Office to ascertain specifically if there were any buildings or portions of buildings at Regent institutions which are recommended by the State Fire Marshal to be closed. The Board Office staff met with the State Fire Marshal to discuss each institution's fire safety program and any deficiencies which exist. The State Fire Marshal indicated that they were unaware of any occupied Regent institution building or any portion of any occupied Regent institution building which is recommended to be closed as a result of fire safety problems. The Fire Marshal's Office did indicate that their office as well as university personnel are continually reviewing fire safety programs and correcting deficiencies where they are found to exist.

The Fire Marshal's Office indicated that it had a good working relationship with fire safety personnel at the Regent institutions and that they were aware of the priority setting processes and corrections that were underway. At least every two years the Fire Marshal's Office in cooperation with local fire safety personnel and institution representatives review the facilities at each of the Regent institutions. The Fire Marshal's Office stated that this inspection is annually performed for the two special schools.

Summaries of each of the institution fire safety reports follow.

University of Iowa

The State Fire Marshal inspects the University of Iowa every two years with the next inspection scheduled for Summer 1988. The university categorizes deficiencies cited by the Fire Marshal into three groups: user violations, maintenance deficiencies and capital deficiencies. User violations are those to be corrected through operating procedures and can be done readily. Maintenance deficiencies are those corrected with minor outlays of funds through the regular cycle of physical plant maintenance. Capital deficiencies are those requiring additional funds and often employment of outside architectural, engineering and construction contracting.

The university has developed a risk formula for determining which deficiencies should be accomplished most quickly. The university gives highest priority to residence halls due to the 24 hour occupancy and second priority to academic buildings housing classrooms and faculty offices. The university's third priority is support buildings. The university reported the most frequently cited capital deficiencies are lack of fire alarms and detection systems and the improper storage of flammable liquids.

There are three major building addition or remodeling projects that will accomplish much to reduce fire and environmental safety problems. These projects are the Chemistry/Botany facility remodeling, the Memorial Union

remodeling, and the construction of the Psychiatric Pavilion at the University Hospitals and Clinics.

The university reported that since 1981, \$2.75 million has been either appropriated or authorized through academic building revenue bond resolutions for use on fire safety improvements at the university. This does not include the \$8.5 million in academic building revenue bond authority provided to remodel the Chemistry/Botany building.

The university and the Board have requested \$500,000 in the fiscal year 1989 capital request for fire and environmental safety programs. These funds would be utilized principally for second exits and fire alarm systems for the buildings with the highest priority. Buildings identified by the university in most need of these improvement are the Library, Biology Building, Phillips Hall and the English/Philosophy building. The university reported that it projects \$4.765 million will be needed to correct all fire deficiencies cited by the State Fire Marshal's Office. This projection does not include approximately \$5.4 million needed to complete work on the Chemistry/Botany building and a major remodeling program in the Medical Laboratories. Both of these projects are in the Regents Ten-Year Building Program.

Iowa State University

The Fire Marshal inspects Iowa State University every two years with the next inspection scheduled for later this year. The university categorizes deficiencies cited by the Fire Marshal into several groups and acts on those deficiencies depending upon the relative risk and whether or not capital funds are needed and available. The process for prioritization is similar to that at the University of Iowa.

During the last Fire Marshal's inspection in 1986, 850 fire code violations were cited in 96 separate buildings. These violations range from minor operational matters to problems that would require major reconstruction to correct. The university reported that 252 of the deficiencies were corrected within one month.

The university has a prioritizing system which considers the consequences of a fire, the exposure of occupants and the probability of occurrence of a fire. The university reported that it does not automatically give top priority to the residence system housing. However, deficiencies in areas that are occupied by students in the residence system would receive a high risk score in the university's numerical analysis system.

The university reported that four categories of deficiency have been established. Projects in each of these categories is listed in the university report. The highest priority contains \$1.1 million in projects where the university may need to regulate use of the facilities until adequate corrections are completed. Also included in this category are

Botany Hall and Morrill Hall. The university reported that rather than making piecemeal and expensive repairs to these two facilities, an \$11 million total remodeling program would be more appropriate.

In the second highest priority category the university has \$607,000 in projects. The university reported that most of these projects involve installation of proper egress routes.

The university reported its third highest priority group involves a number of vertical and horizontal fire separation projects, appropriate door hardware and fire alarm systems. This group has a total cost of \$2.4 million.

The last priority grouping of fire safety deficiencies gives a variety of projects of a less hazardous nature that would cost \$636,000 to correct.

The total cost for accomplishing all the projects to correct the outstanding deficiencies cited by the State Fire Marshal would be \$4.8 million. This cost excludes the major remodeling that would be required to fully utilize Botany Hall and Morrill Hall. The university estimates the remodeling of Botany Hall and Morrill Hall would cost \$11 million.

The university reported that since 1982 it has committed \$12.2 million towards projects which involve substantial fire safety improvements. Included in that amount is \$9.5 million committed towards the Gilman Hall renovation. The Gilman Hall renovation has been financed through authorizations of academic building revenue bonds. The university lists in its report \$3.1 million in fire safety projects which have been financed since 1982 from state appropriations or proceeds from academic building revenue bonds. Twenty-five separate projects have been accomplished with these funds.

The university and Board have included \$500,000 in the fiscal year 1989 capital request for fire and environmental safety programs. These funds would be utilized in a variety of exit, fire alarm and sprinkler projects listed in Table 1 of the university's fire safety report.

University of Northern Iowa

The university's last inspection by the State Fire Marshal was in 1987. The university reported a cost to correct all of the deficiencies in the Fire Marshal's last report of \$679,000 for the academic buildings and \$107,000 for residence halls. In setting priorities among the various projects the university has the same type of priority setting program that is used by the University of Iowa and Iowa State University. The university also has acted on more easily accomplished operation or maintenance deficiencies, which is the case with all Regent institutions.

The university reported that its greatest attention is towards corrections in the high student density buildings such as the Auditorium, East Gymnasium, McCollum Science Hall, Price Laboratory School, Russell Hall, Searley Hall and Wright Hall. The highest priority in the projects within these buildings are the exits in Russell Hall and ceiling tile replacement in Price Laboratory School.

The university and the Board have included \$520,000 in the fiscal year 1989 capital request for fire and environmental safety programs. These funds would be utilized principally for the projects cited above as those of greatest concern to the university.

Since fiscal year 1981 the university reported spending \$2.1 million for fire safety corrections. Of those expenditures, \$600,000 was received in state appropriations and \$825,000 from proceeds from academic building revenue bond sales.

Special Schools

All deficiencies from the last Fire Marshal's report at the Iowa Braille and Sight Saving School have been corrected. The school reported that they were all corrected within 60 days of the inspection. A listing of the inspector's comments are contained in the school's fire safety report.

The Iowa School for the Deaf reported that all deficiencies cited by the Fire Marshal's report have been corrected except one. The inspector recommended that non-fireproof paneling placed over styrofoam insulation in walls in a portion of Giangreco Hall be removed. Superintendent Johnson reported that action is being taken now to correct the problem.

Both schools reported that they work with the local fire departments and fire drills are held periodically throughout the school year. At the Iowa School for the Deaf the Fire Marshal recommended two fire drills during each semester.

* * * *

Director True stated that although there is currently no building at a Regent institution which should be closed due to fire safety problems there is, however, a continuing need for funds for improvements.

Vice President Phillips stated the University of Iowa has a regular program to address the most critical fire safety needs. When university officials receive a State Fire Marshal's report the information is computerized. Fire safety projects are then addressed as funding becomes available or are folded in as other capital projects are undertaken. She said university officials prioritize all the various problems and address the most serious first. She

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also noted that fire drills are conducted on a regular basis, particularly in the residence areas and the hospital.

Regent Duchen stated he hoped all of the institutions have adequate inspection of their properties to address repair needs, such as roofing, to ensure buildings are safe in that regard, also.

Vice President Madden stated Iowa State University has procedures similar to the University of Iowa's prioritization system. The university incorporates fire safety needs with other projects to the extent funding is made available. He noted that many of the fire deficiencies cited are a direct result of the changing building standards. Many of the buildings on campus were built to meet fire safety codes in place at that time. In an effort to address the kind of concerns mentioned by Regent Duchen, he said university officials are doing more inspection and maintenance work. He noted that in the university's fire safety report there are some buildings in the residence system which still need attention. In the next phase of fire safety corrections university officials will have completed most of the items in the student living facilities.

Vice President Conner distributed a brochure which is provided to every student that deals specifically with fire safety. He said fire drills are conducted a minimum of once every semester.

Acting President Harris asked whether the fire departments in each city have ladders that will reach the uppermost floors of institutional buildings.

University of Iowa and Iowa State University officials responded that their city fire departments do have the necessary ladders. University of Northern Iowa officials responded that the Cedar Falls Fire Department does not have ladders tall enough to reach the top three floors of Bender and Dancer Halls.

Superintendent Johnson stated the city of Council Bluffs has a ladder that would reach to the top of the buildings at Iowa School for the Deaf. He noted that most of the school's fire safety deficiencies have been taken care of.

Superintendent Thurman responded that the city's ladders were certainly long enough to reach to the top of the residence halls at the Iowa Braille and Sight Saving School. He was not sure whether they would reach the top floor of Old Main. He said he would find out and let the Board know. (Superintendent Thurman subsequently reported to the Board Office that Vinton fire fighting equipment could not reach the top floor of Old Main.) He noted that the school is inspected regularly. This past year they had not been inspected and school officials had to request an inspection. He said it appears the fire inspections are done from Des Moines.

Acting President Harris referred to the University of Northern Iowa's pamphlet containing instructions for evacuation of a building which is distributed to every student, and asked what instructions are given to those students on the uppermost floors where ladders cannot reach.

Director Elmer responded that in the event of a fire alarm students are instructed to go to the stairwells and go down. Those stairs, in most cases, are made of concrete and steel, and the doors will close automatically. He said that is also the area where the Cedar Falls fire fighters go first. University officials work with the fire fighters three days each summer.

Acting President Harris pointed out that with the adoption of the Board Office recommendation, the reports on fire safety will become annual reports to the Board.

MOTION:

Regent Duchen moved to (1) receive institution reports and direct that annual reports on fire safety be prepared and submitted to the Board and (2) direct that the Executive Secretary of the Board be notified immediately of any recommendation by the State Fire Marshal or local fire department to close any building or portion of any building owned or leased by the Board. Regent VanGilst seconded the motion, and it carried unanimously.

REPORT OF REGENTS' BANKING COMMITTEE. The Board Office recommended the Board receive the report and approve actions to be recommended by the committee.

The Board adopted a comprehensive investment policy in April 1986. At the time it was adopted it was expected that the policy would need to be revised and expanded periodically.

The Board has engaged Peat Marwick Main and Co. to work with the Board Office and the institutions to develop revisions to its policy. The Banking Committee received preliminary proposals by the Board's investment consultant in January and directed that additional work be done and the results of that be presented to the committee in February. In February the committee reviewed the proposed investment policy changes, adopted the concepts developed in the recommendations and directed that further work be done and the results brought to the committee in March.

At the March Banking Committee meeting the Board Office recommended to the committee that it adopt changes in the investment policy and recommend them to the Board for approval.

Regent Fitzgibbon stated the key issue addressed by the Banking Committee this month was the investment and cash management policy. After much discussion the committee finalized the document which he said would be mailed to all Regents. Regent Fitzgibbon noted that although the committee was recommending Board approval nothing was "cast in cement". As the committee goes along and sees necessary changes, those changes will be presented to the Board for approval.

MOTION: Regent Fitzgibbon moved to approve the proposed investment policy. Regent Greig seconded the motion, and it carried unanimously.

Regent Fitzgibbon stated the firm of Peat Marwick Main & Co. was hired to assist the committee in putting the investment policy document together. The adoption of the policy completes phase one of the committee's efforts and the committee has agreed to pay the firm a certain dollar amount for their services. If the committee were to retain the firm for phase two the firm would assist in a consulting capacity in the selection of fund managers and to perform other on-going services. It was the committee's feeling that the Board should no longer employ the firm, and should give notice they are not needed for phase two. It was the general consensus of the committee that university and Board Office staff were capable of recommending 4 or 5 firms or individuals for the Banking Committee and the Board to consider. Regent Fitzgibbon stated that by doing so the Regents were saving \$40,000 - \$50,000. Therefore, the committee recommended discontinuing the services of Peat Marwick Main & Co. and giving the appropriate notice.

MOTION: Regent Fitzgibbon moved to discontinue the services of Peat Marwick Main & Co. in this capacity and giving the appropriate notice. Regent Williams seconded the motion, and it carried unanimously.

Regent Fitzgibbon stated the committee received a report on an automobile liability self-insurance program and determined more information on other risk management issues was needed. The committee asked the Board Office to study the matter further and come back to the committee with additional information and recommendations. The committee authorized the issuance of request for proposals for financial lease services. They asked the Board Office to come back with a proposal for financial lease services. The committee directed the institutions and the Board Office to use revised reporting formats for quarterly investment and cash management reports.

MOTION: Regent Fitzgibbon moved to receive the Banking Committee report. Regent Williams seconded the motion, and it carried unanimously.

Regent Fitzgibbon added that the Banking Committee will be receiving a presentation by university foundations investment personnel to learn how they determine what funds should be in equities versus other kinds of investments.

Regent Duchen stated that for the last several months the Banking Committee has gone through reorganization and restructuring of financial reporting and policies. He stated he wished to express his great satisfaction with the quality of the institutional financial officers who have been a part of this process. He said they are really outstanding and the Board should feel very proud of the kind of people employed by the institutions.

Acting President Harris stated he believed all Board members agreed with Regent Duchen's remarks. Additionally, he said the Banking Committee has done a terrific job under the leadership of Regent Fitzgibbon. He said that on behalf of all Board members he wanted Regent Fitzgibbon and the Banking Committee members to know that the Board very much appreciated what they have done and that it will make a great difference in the handling of fiscal matters of the institutions.

Mr. Richey added that Director True has given outstanding service in this whole process, also.

ANNUAL REPORTS ON UNIVERSITY RESIDENCE SYSTEMS. The Board Office recommended the Board receive the annual residence system reports for fiscal year 1987.

The reports covered the following topics: residence hall and apartment utilization, departmental organization and administration, student governance, social/cultural/educational/recreational services, dining and vending services, plant maintenance and capital improvements, and financial operations and reserves.

The Board Office noted that enrollment appears to have peaked in fiscal year 1986 at 67.7 thousand students. Fiscal year 1987 enrollment has declined to 67.5 thousand students and is projected to continue to decline through fiscal year 1995. Enrollments in 1995 are projected to be 57.3 thousand students.

Residence system occupancy, which was 24.1 thousand for fiscal year 1986, dropped to 23.7 thousand in the report year. This fall occupancy dropped to 22.2 thousand, for an overall decrease in occupancy over the last two years of 8 percent.

This fall the University of Iowa reported a loss of 123 residence hall occupants. Iowa State University reported a loss of 1,029 residence hall occupants this fall compared to the report year and is now at 100.6 percent of design capacity. This fall, the University of Northern Iowa reported a reduction of 384 residence hall occupants and an occupancy ratio of 93.4 percent of design capacity.

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All three universities reported declines in apartment occupancy in fiscal year 1987. Only Iowa State University reported an increase in apartment occupancy the fall of 1987. None of the universities over the last six years has sustained apartment occupancy at 100 percent of design capacity.

While overall enrollment since fiscal year 1986 has declined 2.1 percent, residence hall occupancies have declined 8.5 percent and apartment occupancy declined 3.5 percent.

Opportunities for social/cultural/education/recreational services continue to be improved and expanded. An important element continues to be housing options offered to groups with special needs or interests. The universities offer academic houses, cross-cultural (international) houses, quiet lifestyle houses, all-male facilities, all-female facilities, coeducational halls, a graduate hall, and non-smoking roommate options. Iowa State University opened a third academic house in the fall of 1987. In response to graduate student interest, an additional hall will be converted for graduate student use at Iowa State University. The study facilities within the residence halls continue to improve with expanding computer access facilities. Course offerings in a residence hall setting are expanding. The University of Iowa reports 27 course sections were offered in the fall of 1987.

At Iowa State University, a room and board rate survey was conducted in the spring of 1987. One of the outcomes of that survey is the residence system offering several meal plan options, rather than a single 20-meal plan.

The Regent residence systems continue alcohol education programs. The new Iowa 21-year-old drinking age law has resulted in changes in resident possession and consumption guidelines.

University residence system reports show 7.4 million meals served in fiscal year 1987, which continues a slight downward trend in meals served. Total revenue produced from dining services in fiscal year 1987 was \$23.2 million, or 41.8 percent of total residence system revenue.

Total revenues for the residence systems were reported at \$55.5 million in 1987, an increase of 1.4 percent. Operating expenditures are reported at \$44.2 million, an increase of 4.4 percent.

Residence system net operating income is available to pay debt service on outstanding bonds and to address mandatory transfers to improvement funds and maintain adequate contingency reserves. It was \$11.3 million in fiscal year 1987, a reduction of \$1.1 million from the prior year. Net operating income declined 3.2 percent at the University of Iowa, 13.5 percent at Iowa State University, and 9.4 percent at the University of Northern Iowa. All three universities reported net operating revenues to debt payment ratios of 2.2:1

or better in fiscal year 1987. Bond covenants require a minimum ratio of 1.5:1 for any additional bonding to be considered.

Revenue distribution by source remained approximately the same in 1987 compared to 1986. Room and board contracts accounted for 85 percent of total revenues in 1987. However, projected interest revenue for fiscal year 1988 is approximately \$700,000 less than that reported for fiscal year 1987. Interest income amounted to 4.6 percent of total revenue.

University residence systems paid the universities approximately \$1.1 million in overhead charges for university administrative services in fiscal year 1987, an increase of 10 percent over the prior year.

Expenditure distribution by operating categories remains similar to that reported in fiscal year 1986. Cost of food amounted to 17 percent to 20 percent of total expense. Labor costs were in the 39 percent to 49 percent range. Utilities accounted for another 12 percent to 15 percent of total costs.

Restricted reserves continue at approximately \$6.1 million. Restricted reserves normally equal approximately one year's debt service payments. All residence systems are carrying restricted reserves at the required level.

Residence system financial reports indicate \$14,955,000 in voluntary reserves at the close of fiscal year 1987. This compares to \$15,130,000 at the close of fiscal year 1986. Both the University of Iowa and the University of Northern Iowa showed increases in their voluntary reserves, while Iowa State University showed a reduction of approximately \$1.5 million. Larger than forecast occupancy declines at Iowa State University in fiscal year 1988 have reduced reserve estimates to below \$2 million, and are addressed in the preliminary fiscal year 1989 request budget and rate proposal.

The residence systems maintained approximately 6.6 million gross square feet of space in fiscal year 1987. This is approximately 25.6 percent of Regent maintained space. The replacement value of residence system facilities, including improvements and building contents, is reported at \$352.4 million for fiscal year 1987. Original value of plant assets have been reported in the 1987 financial reports at \$122.4 million. Property insurance is maintained for all residence system facilities as a condition of bond covenants. Also, each of the universities carries business interruption insurance of approximately \$9 million to \$11 million. At the close of fiscal year 1987, residence system bond principal outstanding was \$56,922,000. Annual debt service is approximately 10 percent of total operating revenues.

All university residence systems closed fiscal year 1987 in a reasonably strong financial position but with reduced occupancy. The University of Iowa and University of Northern Iowa closed the year with strong voluntary reserve

positions. Iowa State University's voluntary reserve position was reported at less than 10 percent of annual operating revenues.

Regent Williams asked Mr. Richey to clarify what parietal rules are and why they are necessary.

Mr. Richey responded that it is a requirement that certain students live in the dormitories under certain conditions. He said the Board adopted parietal rules in the 1970s for the University of Iowa. At that time utilization by students of the dormitories was not sufficient to utilize all the services offered by the university. University officials also expanded services that were available at the dorms. It was later found that involuntary utilization of the system was no longer appropriate so the Board suspended the parietal rule. Iowa State University never had a parietal rule because students were always enrolled in excess of occupancy capacity.

Regent Williams noted that some of the rooms in Burge Hall were originally designed for double occupancy and were being occupied as triples. She asked when those rooms would be returned to double status.

Vice President Hubbard responded that has been part of the university's long-range plan for years. He said that as soon as occupancy drops those rooms will be returned to double occupancy status.

Regent Williams stated that from an educational standpoint for the students who live in that facility it would mean a lot to them to have double rather than triple occupancy. Vice President Hubbard stated that university officials would like to keep as many triples as needed for the students for whom cost is a major concern in attending college.

ACTION: Acting President Harris stated the Board received the annual residence system reports for fiscal year 1987 by general consent.

Regent VanGilst asked that the student representative who was present be allowed to speak at this time.

Ms. Deborah Rentz, a student at the University of Iowa, stated no one wants an increase but the students understand the financial situation of the university. University officials developed six proposals for residency rates which the students voted on. The proposal before the Board was the one the students accepted.

PROPOSED TEN-YEAR PLAN FOR UNIVERSITY RESIDENCE SYSTEMS. The Board Office recommended the Board (1) receive the university residence system Ten-Year Plan updates for fiscal year 1989 through 1998 and (2) direct that a special report from each university be prepared focusing on the potential impacts of declining occupancy, assessments of possible cost containment measures and

rate changes necessary to sustain program quality and maintain the physical plant.

Declining university enrollments are projected through fiscal year 1996. Projected declines at the University of Iowa, Iowa State University and the University of Northern Iowa are 16.3 percent, 7.5 percent, and 9.8 percent, respectively.

All three universities forecast less than full occupancy for both dormitories and apartment units during the ten-year planning horizon. The University of Iowa projects an 8.2 percent decline, Iowa State University a 17.6 percent decline, and the University of Northern Iowa a 2.0 percent decline.

The University of Northern Iowa projects no change in occupancy after 1988-89 despite a projected decline in university enrollments.

Declining occupancy as well as a changing student mix will result in different space utilization. Some non-housing use is forecast for current dormitory space. Non-dormitory use will produce rental income for the residence system.

Declining occupancy in the dormitories will result in a lower density of students and the use of rooms more closely following original design capacity.

The University of Iowa and Iowa State University project significant reductions in total bed capacity over the ten-year planning horizon from the elimination of family housing units. The University of Iowa proposes to abandon 50 Hawkeye Park mobile family housing units this year. Iowa State University proposes to eliminate 358 Pammel Court apartment units over several years.

The universities project continuing annual maintenance costs ranging from \$6.6 million to \$9.7 million, in 1988 constant dollars.

Reported gross square feet maintained is projected to decline from 6.6 million square feet to 6.3 million square feet during the ten-year planning horizon.

Significant increases in maintenance and renovation costs will result from new federal regulations on asbestos removal and abatement, fire safety improvement requirements, and the increasing upkeep requirements for aging facilities.

The long-term forecast of reduced occupancy and potentially accelerating maintenance and renovation costs have serious implications for maintaining prudent voluntary reserves. The Board Office recommended that each university utilize specialized consultants to assist in identifying options

available to stabilize revenues and reduce costs without reducing the educational benefits found in university residence living.

Mr. Richey stated that given the review of the annual report and the projections concerning enrollment declines, it was clear the institutions needed to review the operations of the residency systems in terms of the future. He said it was obvious that attention needed to be focused on basic demographics and enrollment trends and at the same time look at alternatives for use of some of the institutional facilities.

Regent Fitzgibbon stated that even the residency systems can affect the bonding rates in the future. He felt it needed to be addressed now so there is a plan for the future.

President Curris stated it would be premature to ask for a special report of the potential impacts at this point. He said the organizational audit needs to be completed before the university can deal with that issue. The number of students and types of students are determined by the academic programs offered at an institution. He said a significant aspect of the organizational audit study will be dealing with duplication of programs. Changes in the types of programs that will be available on the campuses resulting from the organizational audit will impact student enrollments. He said that if the Board wanted a meaningful report, one which would be based on existing programs at each campus, they should delay that aspect of the report for a year until they have finished the organizational audit. Any special reporting attempts before the finish of the organizational audit would be only speculation.

Mr. Richey cautioned that the Board can't wait a year. There was no reason the university can't do the report again or make adjustments in a year. He emphasized the need to focus on the impact of projected enrollment declines in every way possible.

Vice President Thielen asked for an explanation of the difference between this special report and the ten-year plan the institutions update annually.

Mr. Richey responded that perhaps there was a need to get some consultants in on this effort, also. He said he would like to ensure the Regent institutions are getting the best possible program at the most reasonable cost. He said the trends are disturbing if let to go their own way. He acknowledged the residence systems probably do the best planning of any unit on campus. The Board Office was suggesting a greater sense of endeavor through these additional studies.

Regent Williams asked what more could be accomplished than what is in the ten-year plans.

Mr. Richey responded that if nothing else it would be a review of what is in the ten-year plan and insight into what new direction the university should go in or new policies which may need established.

Regent Williams stated she agreed with Mr. Richey that in the process of developing the special report the universities can study some of the impact prior to the completion of the organizational audit.

Acting President Harris stated the question appeared to be how the Regents are going to deal with program duplication.

Vice President Thielen stated the point he was trying to make was that they have the best information they can get now. That's what the ten-year plan is built on.

Mr. Richey stated Iowa State University had a 9.9 percent resident rate increase last year and 10 percent this year. Those are very rapid rates of increase. Continuation of that will affect the desirability of dormitories to the students. He said the universities needed to look at those types of situations.

Director Frederiksen said the annual ten-year plan update forces the universities to do the kind of forecasting suggested to be accomplished with the special report. The universities are, in fact, doing what they have been saying in the plan they would be doing. For example, they propose this fall to reduce all their over-capacity rooms (872 total rooms). They have also discussed converting apartments from family to single occupancy. In terms of cost containment the university is closing one of six dining areas on the weekends. University officials have been identifying on a year-by-year basis how they will address the changing enrollments. The four meal plan options was another example of adjusting as enrollments change.

Vice President Hubbard stated that residence hall directors confer with each other and take advantage of the best talents they have. He added that it doesn't stop at that point. All the directors are members of national and regional organizations.

Regent Greig stated that if the university ten-year plans are as good as they say they are he didn't see the need for a special report until we actually know where we are going.

Mr. Richey stated that he felt it was worth it. He has been through the period 18 - 20 years ago when the Regent institution residence systems were facing deep and serious trouble. He said anything that can be done to alert the Board to similar trouble in the future would be well worth the effort.

MOTION: Regent Williams moved to (1) receive the university residence system Ten-Year Plan

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updates for fiscal year 1989 through 1998 and (2) direct that a special report from each university be prepared focusing on the potential impacts of declining occupancy, assessments of possible cost containment measures and rate changes necessary to sustain program quality and maintain the physical plant. Regent Tyler seconded the motion, and it carried with Regent Greig voting "no".

PROGRESS REPORT ON UNIVERSITY GROUNDWATER CENTERS. The Board Office recommended the Board (1) receive the report and direct that each university and the respective center director work closely with the Iowa Department of Natural Resources in carrying out the activities of the center and (2) direct that reports on each center be presented to the Board annually.

In December, the Board received a report on each of the groundwater centers. Those reports consisted of a discussion of the statute, the work underway at the centers, the funding supplied by the state, as well as the status of various appointments. The appointments of greatest concern were the directors of the centers and the members of the advisory committees. Advisory committees were established by statute with particular organizations to be represented.

Each of the university centers has a fundamental relationship with the Department of Natural Resources. The Governor and the General Assembly look to the Department of Natural Resources as the responsible agent to bring together the various aspects of the groundwater program so as to make it as effective as possible and to meet the statutory objectives.

The director of the Department of Natural Resources and a member of the Environmental Protection Board have met with the Board Office and Regent Tyler to discuss the groundwater program and the relationships envisioned between the Department of Natural Resources and each of the centers. As a result of that discussion, Regent Tyler asked that a progress report on the centers be provided to the Board at this meeting.

* * * * *

Center for Health Effects of Environmental Contamination
University of Iowa

Acting Director: Edwin P. Isacson, Professor of Preventive and Environmental Health, College of Medicine, University of Iowa

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Committee Members:

Dr. Barrie Anderson
Dr. Jo Ann Benda
Dr. Trudy Burns
Dr. Keith Cherryholmes, University Hygienic Lab
Mr. James Combs, Administrator, Coordination and Public Information,
Department of Natural Resources
Dr. Kelley Donham
Dr. Lon Drake
Ms. Mary L. Ellis, Director, Department of Public Health
Dr. Wayne Paulson
Dr. Tom Tephly
Dr. Mary Waziri
Dr. John Stensvaag
Mr. Daryl Frey, Director of Laboratory Division, Iowa Department of
Agriculture and Land Stewardship

Leopold Center for Sustainable Agriculture
Iowa State University

Director: No director appointed -- anticipated appointment Spring 1988

Committee Members:

Ms. Shirley M. Danskin-White, Department of Agriculture and Land Stewardship
Mr. James Combs, Department of Natural Resources
Ms. Linda Bindner, Soil Conservation Commission
Mr. John Miller, Soil Conservation Commission
Dr. Janel Curry-Roper, Central College
Prof. Neil Hamilton, Drake University
Dr. Cheryl K. Contant, University of Iowa
Dr. Edwin Peter, Isacson, University of Iowa
Dr. Virginia Berg, University of Northern Iowa
Dr. John Deegan, University of Northern Iowa
Dr. Alfred M. Blackmer, Iowa State University
Dr. Jerald R. DeWitt, Iowa State University
Dr. Laura E. Sweets, Iowa State University

The Small Business Assistance Center for the Safe and Economical
Management of Solid Waste and Hazardous Substances
University of Northern Iowa

Director: John Konefes

Committee Members:

Ms. Ruth Bender, Department of Natural Resources

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Ms. Julie Blum, Department of Economic Development
Mr. Louis Cass, Denison Engineering Corp.
Mr. Lee Casten, Barton Solvents, Inc.
Mr. Jan DeYoung, Iowa Small Business Development Center
Ms. Bev Hollar
Ms. Jan Johnson
Ms. Patricia Johnson
Mr. Burton Kross, University of Iowa
Ms. Donna LaMura, LaMura Labs
Ms. Judy O'Donohoe, Attorney at Law
Mr. Ralph Potter, Small Business Administrations
Mr. Emery Sobottka, Environmental, Health, & Safety, Iowa State University
Mr. David Wheelock, Small Business Development Center, University of
Northern Iowa

Regent Tyler encouraged university officials to communicate with the Department of Natural Resources on a regular basis.

President Remington stated there was cooperation and leadership on the committees as they are now established.

MOTION:

Regent Williams moved to (1) receive the report and direct that each university and the respective center director work closely with the Iowa Department of Natural Resources in carrying out the activities of the center and (2) direct that reports on each center be presented to the Board annually. Regent VanEkeren seconded the motion, and it carried unanimously.

APPEAL BY VENDOR -- IOWA COAL MINING COMPANY. The Board Office recommended the Board deny Iowa Coal Mining Company's request for relief as follows:

1. That the university and Board approve assignment of a contract from Iowa Fuel and Minerals to Iowa Coal Mining Company (denied); and
2. That the university and Board terminate a contract with American Coal Company and replace the terminated contract by one with Iowa Coal Mining Company consistent with Request for Bid No. 33562 (denied).

This matter came before the Board pursuant to an agreed schedule for briefs which included an initial brief from Iowa Coal, a response brief on behalf of the university, and a reply brief from Iowa Coal. Iowa Coal was represented on brief by Philip Ostien. The university was represented by Assistant Attorney General Ann Marie Brick.

The first of the issues to be addressed was whether the university acted in an arbitrary and capricious manner in refusing to accept the assignment of Iowa Fuel's contract to Iowa Coal for the delivery of coal to the university. Iowa Coal alleges that the refusal was arbitrary and capricious. It alleged that it could have delivered the required volume of coal and would have met sulfur content requirements. It indicated that it had met performance requirements in all but one month under the existing contract and that had it not met performance requirements the university would have rejected it sometime during the preceding ten years it had supplied coal to the university.

In response to these allegations the university stated that its policy was to have more than one coal supplier so that problems with a single vendor would not leave it without coal. As Iowa Coal already was the other supplier of coal, the university would have been left with a single supplier had it accepted the assignment. The university was concerned about the sulfur content of the product from Iowa Coal. The university had identified to Iowa Coal the concerns of the Environmental Protection Agency about sulfur content in their product. The university had also documented the difficulty Iowa Coal had in delivering the tonnage requirements of its own contract with the university. The university said its reasons for refusal to accept assignment of the Iowa Fuel contract to Iowa coal are not arbitrary and capricious as defined by the Iowa Supreme Court.

In its response to the reply brief of the university Iowa Coal restated some of its initial brief points and stated that for ten years the university had accepted its coal with its sulfur content meeting university requirements, that the university was arbitrary and capricious in failing to accept the assignment of the Iowa Fuel contract, that the university was not abiding by the Iowa Preference Law, that a performance bond should have been sufficient to meet the university's concern about fear of Iowa Coal not delivering, that Iowa Coal could deliver the required tonnage, and that Iowa Coal had failed to meet performance requirements only one month in the past ten years.

The Board Office concluded that the university was not arbitrary and capricious, as those terms are defined by the Iowa Supreme Court, in its refusal to accept assignment of the Iowa Fuel and Mineral Company contract to Iowa Coal Mining Company. The university claim that it refused to accept the assignment because it had a policy against a single source for coal supplies, it had problems with the sulfur content of the product, and it was concerned about the ability of Iowa Coal Mining Company to deliver the tonnage required under its own contract and that of Iowa Fuel and Mineral Company, were substantiated by the record before the Board. Therefore, the Board Office recommended the Board should not direct assignment of the Iowa Fuel and Minerals Company contract to Iowa Coal Mining Company.

The second issue was whether the university should have awarded a coal contract to Iowa Coal Mining Company rather than to American Coal as a result

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of the bid process in November 1986 conducted pursuant to Request for Bid No. 33562.

In support of its contention Iowa Coal Mining Company stated the university's bid documents did not require the vendor to do stack testing for Environmental Protection Agency monitoring of emissions. It maintained that while Iowa Code Section 73.7 permits looking at other factors than price, including equipment compatibility, there had been no questions about these issues in previous deliveries of coal accepted by the university and that its status as an "approved vendor" would not have existed if its product was unacceptable to the university.

The university maintained that as a supplier of coal Iowa Coal Mining Company was on the "approved vendor" list, that as an "approved vendor" it was sent a copy of the Request for Bid in the November 1986 process. The university maintained that it is not statutorily required to accept the lowest bid and that it could look to other circumstances, such as the sulfur content of previous products delivered and the past performance of the bidder. The university maintained that it attempted to resolve the sulfur question with Iowa Coal by requiring that Iowa Coal pay for stack testing. When Iowa Coal refused the university modified its requirement and said the university would pay for satisfactory stack tests and asked Iowa Coal to pay only when the tests showed the product did not meet requirements. Iowa Coal again refused. With the university's concern about the sulfur content of the product and about previous performance problems with Iowa Coal Mining Company the university did not award the contract to Iowa Coal Mining as the apparent low bidder in this process.

Iowa Coal Mining Company's reply to this response to the university is as identified above from Exhibit C, pages 1-5 and that the university misapplied the Iowa Coal Preference Law in the way it looked at reasons for not awarding the coal contract to Iowa Coal Mining Company.

The Board Office concluded that the university did not act unlawfully in refusing to award a coal contract to Iowa Coal Mining Company as a result of the bid process undertaken in November 1986. The university was permitted to look at its past experience with the vendor and to consider the sulfur content problems it had previously had with the vendor and to consider the delivery problems it had previously experienced with the vendor. Therefore, the Board Office recommended the Board should not require that the university enter a contract with Iowa Coal Mining Company as a result of the November 1986 bid process.

Director Wright stated there were two essential issues before the Board: 1) whether or not Iowa State University erred in February 1986 when it refused to accept Iowa Fuel and Minerals Company's assignment of its contract with the university to Iowa Coal and 2) in the bidding process the university erred in not awarding the new contract to Iowa Coal. If the Board denies the

relief requested, the dollar damages requested by Iowa Coal would not obtain. He said the Board Office recommended the Board deny the requested relief. Iowa Coal Mining Company would then be free to seek judicial review as permitted by law.

Regent Duchen asked why this process was being used at this point in the appeal process.

Director Wright clarified that his role in this matter is as one who is reviewing the matter on behalf of the Board. He said the reason the appeal is proceeding in this manner was because it was agreed the Board would hear the matter on briefs.

Mr. Richey added that this was the normal course when using written briefs.

Regent VanGilst stated it bothered him that Iowa State University decided to rebid. They used Iowa Coal Company as a qualified bidder. Iowa Coal Company came in as the lowest bidder. After that Iowa State University officials said they have had some experience with Iowa Coal Company bringing some coal that had too high of a sulphur content. A particular sulphur content was not in the original asking. He said university officials told Iowa Coal Mining officials that if there is a time during stack testing when their coal does not test out then Iowa Coal Company will have to pay for the stack testing. Then the university awarded the contract to another bidder. Regent Van Gilst said he felt there was a question of fairness. He said that as he understood it the other bidder's coal has not really qualified as far as sulphur content. When that other company had a fire, Iowa Coal Company supplied the coal to Iowa State University after all. He said it bothered him that Iowa Coal Company has been supplying coal to the university for ten years.

Regent Fitzgibbon stated he felt the chemistry between the people involved may not be right. He felt it might be constructive to change players. He understood that the coal companies have to comply under the sulphur percentage, and said there are washing and other procedures that can be used to address the sulphur content. He said he is concerned it may be a personality conflict. He acknowledged that he did not know the answer and could understand both sides of it.

Acting President Harris stated he was concerned because as he listened to the discussion he was learning that the issue may not be just a matter of substance but may include an emotional issue.

Director Wright stated the parties identified the issues in their briefs and that a decision should be made within the four corners of the briefs.

Regent Williams stated that as she read through the materials there seems to be a lot of substance.

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Mr. Richey stated the counsel for both sides agreed to submit the briefs to the Board for its decision. He said the decision should be made on the basis of the briefs.

Regent Fitzgibbon stated that he did not see a sufficient amount of information on which to make the decision.

Acting President Harris asked whose coal Iowa State University was currently burning. Regent VanGilst responded they were burning Iowa Coal's coal and had been for ten years.

Mr. Richey suggested the Board could have an oral hearing.

Director Wright stated the Board could also have a hearing officer hear the matter.

Regent Williams stated that her reaction in reading through the documents was that the Board Office recommendation should be approved.

MOTION:

Regent Williams moved to deny Iowa Coal Mining Company's request for relief as follows: (1) that the university and Board approve assignment of a contract from Iowa Fuel and Minerals to Iowa Coal Mining Company (denied); and (2) that the university and Board terminate a contract with American Coal Company and replace the terminated contract by one with Iowa Coal Mining Company consistent with Request for Bid No. 33562 (denied). Regent VanEkeren seconded the motion.

Acting President Harris stated that the Regents had all read the written material. If the Board approves the motion the coal company has a right to judicial review. If the motion is defeated then there are other options.

VOTE ON THE MOTION:

The motion was defeated.

Mr. Richey stated that since the Board had not accepted the recommendation the members had several options: 1) grant the relief and pay the coal company, 2) schedule the matter for oral hearing before the Board, or 3) select a hearing officer to hear it.

Regent VanGilst stated he would prefer the latter.

Regent Fitzgibbon agreed with Regent VanGilst and stated it was a very bad situation to put the Board in the position of a jury.

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MOTION: Regent VanGilst moved to select a hearing officer to hear the issues. Regent VanGilst seconded the motion, and it carried with Regent VanEkeren voting "no".

President Eaton asked if it would be possible to defer action until consulting with the Attorney General's Office.

Director Wright responded that the Attorney General's Office identified for the Board Office staff last week that they should be very careful to separate roles in this process. An Assistant Attorney General advises the university and another Assistant Attorney General would advise the Board if it became involved in a judicial review process.

Mr. Richey stated that the Board had not made a decision on the merits of the petitions before it.

Special Assistant Attorney General Willits stated it was the Board's option to use a hearing officer. He said the hearing officer would make a recommendation to the Board but the Board had to make the final decision.

Regent VanGilst asked if perhaps the Attorney General's Office, the Board Office staff and attorneys for the coal company got together did it appear possible that things could be worked out? Special Assistant Attorney General Willits stated it had been a long-standing disagreement and that many attempts to resolve it had been unsuccessful.

EXECUTIVE SESSION. Acting President Harris requested the Board enter into closed session pursuant to the Code of Iowa section 21.5(1)(c) to discuss a matter with counsel which is either in litigation or where litigation is imminent.

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

The Board having voted at least two-thirds majority resolved to meet in executive session beginning at 4:50 p.m. on March 23, 1988, and arose therefrom at 5:45 p.m. on that same date.

The following business was transacted on March 24, 1988.

Regent Fitzgibbon stated the previous night's reception and the breakfast meeting of that morning were outstanding opportunities to meet with community leaders. He encouraged the Board and the universities to offer other opportunities for similar receptions in the communities the Board will be meeting at in the future. He suggested that next month University of Iowa officials host a similar event. Regent Fitzgibbon stated there was great interest in what is going on at the universities. Also, some time down the road the Regents may need those persons' help in achieving their goals. He thanked Davenport officials for their hospitality.

Acting President Harris stated the Board reaction to Regent Fitzgibbon's suggestion was positive.

President Remington stated University of Iowa officials would be glad to host a similar reception in Iowa City next month.

FINAL ADOPTION OF SELECTED REVISIONS TO REGENTS ADMINISTRATIVE RULES. The Board Office recommended the Board approve final adoption of selected revisions to the Board of Regents Administrative Rules.

Following the reorganization of state government in 1986, a new agency numbering system was adopted by the Code Editor for the Iowa Administrative Code. Subsequently, each agency was asked to submit a renumbered version of its rules and, at the same time, to eliminate errors and obsolete sections, and to place the rules in the uniform style established by the Code Editor.

In January, the Board approved revisions recommended by the institutions and the Board Office and asked that the Board Office enter the rulemaking process. A Notice of Intended Action was submitted, and a public hearing was scheduled and held on March 7, 1988. No comments were received from the public in writing or at the hearing. However, Iowa State University requested in writing that requirements for admission to the College of Business Administration, which were inadvertently omitted when it reviewed its section of the rules, be included in Chapter 2, "Supplemental Specific Rules for Each Institution," as Subrule 2.25(9).

The rule process also requires review by the Administrative Rules Review Committee. As a result of a request received at a hearing on March 9, 1988, the Regent Registrars Committee is reviewing the policy on transfer credit from a two-year college (1.3(1)) and will provide a report on the issues involved.

MOTION: Regent Tyler moved to approve final adoption of selected revisions to the Board of Regents Administrative Rules. Regent Fitzgibbon seconded the motion, and it carried unanimously.

APPROVAL OF REVISIONS TO REGENTS' MERIT RULES. The Board Office recommended the Board approve: (1) final adoption of revisions in rules which were initially approved by the Board at its December, 1987 meeting, and (2) a revision to the rule on merit step increases as follows:

3.39(2) Merit increases. ... Denials or deferrals of a merit increase for six months or less for reason of unsatisfactory work performance will not result in the establishment of a revised merit review date. Deferrals resulting from leaves of absence without pay, or layoff, ~~or medically-related disability leave~~ exceeding thirty calendar days will cause a change of the merit review date equal to the time away from work.

The administrative rules process requires final adoption of the rules following review by the Legislative Rules Committee and a public hearing. A minor change in wording suggested by a member of the rules committee is incorporated in the recommendations. (In 3.67, line 3, "Provision is hereby made for three kinds of eligibility lists" was changed to "Three kinds of eligibility lists are provided".) No oral or written comments were received at the required public hearing held on February 16, 1988.

Under the proposed revision to Merit Rule 3.39(2) sick leave would no longer trigger a change in a merit review date. Leaves of absence without pay and layoffs would require a new review date if in excess of 30 days, but absences with pay such as vacation and sick leave would not. The proposed revision would make the Regents rules regarding merit review date changes consistent with the rules of the State Department of Personnel, and will facilitate administration of those rules at Regent institutions.

MOTION: Regent Fitzgibbon moved to approve: (1) final adoption of revisions in rules which were initially approved by the Board at its December, 1987 meeting, and (2) a revision to the rule on merit step increases as follows: 3.39(2) Merit increases. ... Denials or deferrals of a merit increase for six months or less for reason of unsatisfactory work performance will not result in the establishment of a revised merit review date. Deferrals resulting from leaves of absence without pay, or layoff, ~~or~~

~~medically-related-disability-leave~~ exceeding thirty calendar days will cause a change of the merit review date equal to the time away from work. Regent VanGilst seconded the motion, and it carried unanimously.

REPORT ON ADDITIONS TO PROCEDURAL GUIDE. The Board Office recommended the Board approve changes in the Board of Regents Procedural Guide as follows:

1. Section 7.15, Payroll Withholdings is amended at subsection A, paragraph 5 by deleting permission for institutions to withhold from salary of an employee the debt of an employee to the institution absent an agreement for such withholding;
2. Section 7.15, Payroll Withholding is amended at subsection D to reflect the current authorized withholdings at each of the institutions;
3. Section 10.20, Conflict of Interest of Public Officers - Gifts is added to the Procedural Guide to reflect statutory requirements for employees and Board members in giving and receiving gifts; and
4. Section 10.09, Conflict of Interest of Public Employers has been added to the section heading "-Sales and Purchases".

The Procedural Guide provides for institutions to recover from an employee an amount clearly established to be due to the institution from the employee. This section (7.15. A.5) was most frequently used to recover from student workers amounts they owed the institution for tuition and incidental expenses. Several years ago the General Assembly modified the law under which these withholdings were accomplished and made the practice illegal absent an agreement with the employee for the withholding. It was the recommendation of the Board's counsel that the language of the Procedural Guide be modified to reflect this change in the law.

The Procedural Guide, at Section 7.15, subsection A, provides guidance for the institutions to assist in the determination of what items are allowable for payroll withholding treatment. Subsection D provides a list of the items for which the institutions are authorized to make payroll withholdings. The current lists for the institutions were presented for approval at this time. In this same subsection two items in the list of approved withholdings for all institutions were being reviewed with the Attorney General and may be removed if counsel advises. The withholdings in question are for "parking fees and fines" and "accounts receivable". Items recommended for addition to the list will be reviewed with counsel for appropriate inclusion.

The State has placed limitations on both the granting and receiving of gifts by employees and Board members. It has also defined what constitutes a gift. While those affected by the law are encouraged to read the details of the

Procedural Guide, Section 10.20 (Exhibit), in essence employees and Board members and members of their immediate families may not receive or give anything with a value of more than \$35 per day and must report such transactions if they are worth \$15 or more. Small gifts and gifts from groups must be aggregated in this reporting process. A gift includes anything of value in which legal consideration of equal or greater value is not given and received. An item which is received which is donated by the recipient to a public body, bona fide educational or charitable organization or the Department of Social Services is not a gift under this law.

The law requires that gifts be reported to the Secretary of State by both the donor and the donee by the 15th of the month following the transaction.

In 1981 the Board approved a conflict of interest section of the Procedural Guide (10.09) for buying and selling goods and services when the parties are the Regent institutions and employees or Board members. The title of this section will be modified to reflect its purpose and distinguish it from the section pertaining to gifts.

ACTION:

Regent Williams moved to approve changes in the Board of Regents Procedural Guide as follows: 1. Section 7.15, Payroll Withholdings is amended at subsection A, paragraph 5 by deleting permission for institutions to withhold from salary of an employee the debt of an employee to the institution absent an agreement for such withholding; 2. Section 7.15, Payroll Withholding is amended at subsection D to reflect the current authorized withholdings at each of the institutions; 3. Section 10.20, Conflict of Interest of Public Officers - Gifts is added to the Procedural Guide to reflect statutory requirements for employees and Board members in giving and receiving gifts; and 4. Section 10.09, Conflict of Interest of Public Employers has been added to the section heading "-Sales and Purchases". Regent VanEkeren seconded the motion, and it carried unanimously.

SCHEDULE FOR REGENTS' MERIT SYSTEM PAY PLAN HEARING. The Board Office recommended the Board schedule the annual public hearing on the Regents Merit System Pay Plan for Tuesday, April 5, 1988, at 7:00 p.m. in the auditorium (Room 111) of the Kamerick Art Building on the campus of the University of Northern Iowa.

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Chapter 19A of the Iowa Code and the rules of the Regents Merit System require an annual public hearing on proposed pay plan adjustments. A hearing in early April will enable the Board to approve recommendations for revisions for the fiscal year beginning July 1, 1988, in time for review by the State Department of Personnel prior to implementation on July 1, 1988.

In years prior to last, a Regent was selected to chair the hearing. Last year the Regents Director of Personnel and Employment Relations and the Merit System Director conducted the hearing, and it was proposed they conduct the hearing this year.

ACTION: Acting President Harris stated the Board scheduled the annual public hearing on the Regents Merit System Pay Plan for Tuesday, April 5, 1988, at 7:00 p.m. in the auditorium (Room 111) of the Kamerick Art Building on the campus of the University of Northern Iowa, as a consent item.

REPORT OF BIG TEN GOVERNING BOARDS CONFERENCE TO BE HELD JUNE 26-27, 1988, IN URBANA, ILLINOIS. The Board Office recommended the Board receive the report.

The Big Ten Governing Boards Conference will be held at the University of Illinois on June 26-27, 1988. The two guest speakers this year are Dr. Frank Newman, President of the Education Commission of the States and Dr. Clifford Wharton, President of TIAA-Cref.

Mr. Richey asked that Regents interested in attending this conference inform the Board Office of their interest as soon as possible.

Regent Greig stated he and Regent Williams attended the conference last year. He said it was one of the best conferences he had ever attended, and encouraged anyone who had the time to attend this year's conference.

Regent Williams stated it was interesting for her to learn about the difference in governance structures of the various universities. She said she also benefitted from the sessions themselves.

Acting President Harris stated that in reading through the information regarding the program it mentioned an issue of great importance to everyone, and one which was particularly timely in terms of what the Regents are trying to do regarding increasing minority enrollments. He noted there are many instances where recruitment is carried out successfully but then fails in the matter of retention.

ACTION: Acting President Harris stated the Board received the report as a consent item.

APPROVAL OF BOARD OFFICE PROFESSIONAL AND SCIENTIFIC POSITION. The Board Office recommended the Board approve the position description for Associate Director, Academic Affairs and Research.

The establishment of the Associate Director, Academic Affairs and Research, was approved by the Board at its January 1988 meeting. The duties and responsibilities of the position have now been finalized, and a position description developed. The position will be in pay grade 6 (\$39,000 - \$57,360) of the Board Office Professional-Scientific pay schedule.

MOTION: Regent Tyler moved to approve the position description for Associate Director, Academic Affairs and Research. Regent Williams seconded the motion, and it carried unanimously.

BOARD OFFICE PERSONNEL REGISTER. The Board Office recommended the Board approve the Personnel Register for February 1988, as presented below:

Resignation

Pamela Normandin, Secretary II, effective March 10, 1988.

Appointment

Michael G. Chebuhar, Associate Director, Business and Finance, effective March 22, 1988, at an annual salary of \$51,000 plus the usual fringe benefits.

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

NEXT MEETINGS SCHEDULE.

April 20	University of Iowa	Iowa City
April 21	Iowa Braille and Sight Saving School	Vinton
May 25-26	Iowa State University	Ames
June 22-23	Hilton Hotel	Sioux City
July 15	Village East	Okoboji
August	NO MEETING	
September 14-15	University of Northern Iowa	Cedar Falls
October 19-20	University of Iowa	Iowa City
November 16-17	Iowa State University	Ames
December 14-15	Marriott Hotel	Des Moines
January 18-19, 1989	Iowa State University	Ames
February 15-16	(To be Designated)	Des Moines
March 15-16	University of Northern Iowa	Cedar Falls

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April 12	University of Iowa	Iowa City
April 13	Iowa Braille and Sight Saving School	Vinton

Acting President Harris noted that the meeting schedule had been extended to indicate Board meeting dates through April 1989.

Mr. Richey noted that the Regents are restricted by state law to meeting at the institutions at certain times during the year. Also, during the legislative session there is a desire to be in the Des Moines area. The Regents have requested to visit each institution each year as well as the recent desire to meet in other areas of the state.

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

Acting President Harris 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 23 and Thursday, March 24, 1988.

REGISTER OF PERSONNEL CHANGES. The Board Office recommended the Board approve the Personnel Register for the months of January and February 1988. The Register included employees who met requirements for and who were approved by the institution for early retirement as follows:

Effective February 1, 1988

Burke, Lona
Costello, Gerald
Irwin, Robert
Moore, John
Stewart, Marshall

Effective March 1, 1988

Finn, Doris
Ringgenberg, Clayton

ACTION:

Acting President Harris stated the Board approved the Personnel Register for the months of January and February 1988 as a consent item.

APPOINTMENTS. The Board Office recommended the Board approve the appointment of (1) MARY KUJAWSKI as Director of the University of Iowa Museum of Art at an annual salary of \$60,000, effective July 1, 1988, serving at the pleasure of the university president and the Board; (2) JOHN W. REINHARDT as Head of the Department of Operative Dentistry, College of Dentistry, at an annual salary of \$85,000, effective July 1, 1988 and serving at the pleasure of the university president and the Board; and (3) DUANE C. SPRIESTERSBACH as Vice-President for Educational Development and Research and Dean of the Graduate College, at a salary to be budgeted for the 1988-89 academic year, effective July 1, 1988, for a term of one year.

The continuation of the appointment of Mr. Spriestersbach beyond his planned retirement is at the request of the university to assist it during the special circumstance arising out of the resignation of the president of the university. The university is grateful for Mr. Spriestersbach's indication that he is willing to continue for a second year beyond his planned retirement.

MOTION:

Regent Williams moved to approve the appointment of (1) MARY KUJAWSKI as Director of the University of Iowa Museum of Art at an annual salary of \$60,000, effective July 1, 1988, serving at the pleasure of the university president and the Board; (2) JOHN W. REINHARDT as Head of the Department of Operative Dentistry, College of Dentistry, at an annual salary of \$85,000, effective July 1, 1988 and serving at the pleasure of the university president and the Board; and (3) DUANE C. SPRIESTERSBACH as Vice-President for Educational Development and Research and Dean of the Graduate College, at a salary to be budgeted for the 1988-89 academic year, effective July 1, 1988, for a term of one year. Regent VanGilst seconded the motion, and it carried unanimously.

PROFESSIONAL AND SCIENTIFIC CLASSIFICATION CHANGES. The Board Office recommended the Board approve the following changes in the university's classification system for professional and scientific staff:

1) Revisions in Pay Grade

<u>Title</u>	<u>From Grade</u>	<u>To Grade</u>
Clinical Pharmacy Specialist	10 (\$26,000-\$42,370)	11 (\$28,135-\$45,850)
Internal Auditor	10	11

2) New Classes

<u>Title</u>	<u>Pay Grade</u>
Computing Consultant	6 (\$19,290-\$30,865)
Computing Consultant II	8 (\$22,380-\$35,840)
Senior Computing Consultant	10 (\$26,000-\$42,370)

Increases in pay grade assignments (from 10 to 11) for the Clinical Pharmacy Specialist and the Internal Auditor classifications were recommended to recognize expanded responsibilities which are outlined in the university's request and reflected in the revised classification descriptions in the university's exhibit. The new classification series, Computing Consultant (I, II, and Senior), was proposed to meet the changing needs of students, staff and faculty resulting from technological advances in hardware, software, and PC and mainframe integration. It is anticipated that initially six professional and scientific staff members who are currently classified as programmers will be moved into the proposed class series.

MOTION:

Regent Williams moved to approve the changes in the university's classification system for professional and scientific staff. Regent Greig seconded the motion, and it carried unanimously.

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

PERMISSION TO PROCEED WITH PROJECT PLANNING

The university proposed to move forward with the third portion of its interdisciplinary Center for Digestive Diseases. This project would construct an ambulatory clinic service. Previous portions of the center constructed were completed in 1985 and consist of an inpatient services unit and a diagnostic and therapeutic procedures unit. The project would be constructed adjacent to the Center's diagnostic and therapeutic procedures suite on level 4 of the Colloton Pavilion.

The facility would encompass approximately 19,000 gross square feet of shelled space within the Colloton Pavilion. Cost for construction and design is estimated to be \$2.2 million. The source of revenue for the project is from the University Hospitals Building Usage Fund.

The university reported that this project is justified now because of increased outpatient volume, causing a six- to eight-week wait for clinic appointments.

The clinics are now divided within two portions of the hospital. The university reported that patient volume for gastroenterology and gastrointestinal surgery ambulatory clinic services has increased by an average of nearly 20 percent annually over the last three years. Another purpose for the facility will be to meet anticipated increased demand for colon cancer screening.

The university is in the process of selecting an architect for this project and will bring its selection to the Board next month for approval.

Regent Williams stated some Board members might be interested in participating in the architecture selection process.

Regent Tyler asked that Vice President Phillips contact Regents Fitzgibbon, Williams and Tyler when the selection process is to proceed.

Regent Williams stated it might be good for the Board if both Regents Tyler and Fitzgibbon could observe the architecture selection process at each institution as they proceed.

Vice President Phillips stated she welcomed Board participation in that process.

Acting President Harris noted that outpatient services such as the ambulatory care center are self-supporting and provide an efficient service without the need to go into the hospital.

PROJECT DESCRIPTIONS AND BUDGETS

The university submitted one new project for approval by the Board.

University Library--Replace Chiller and Cooling Towers \$461,000
Source of Funds: General University Building Repairs or
Treasurer's Temporary Investments

The university proposed to replace a 350 ton steam absorption chiller and two cooling towers. Durrant Engineers performed the preliminary study for this project and the university recommended that they be retained to prepare contract documents. The fee for the Durrant Engineers is based on a multiple of 2.85 times direct personal expenses, not to exceed \$17,120, plus reimbursable expenses of \$7,300.

* * * * *

The university presented three new projects that will be initiated in the coming months with budgets of less than \$250,000. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university. These projects include steam metering installation, remodeling of two rooms in Oakdale Hall, and the relocation of the Cardiothoracic Surgery Inpatient Nursing Unit.

CONSULTANT AGREEMENTS

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

University Library--Replace Chiller and Cooling Towers \$17,120
The Durrant Group, Inc., Dubuque, Iowa

The Durrant Group, Inc., performed the preliminary study which outlined the project, and the university proposed that they be retained to prepare the necessary contract documents.

University Hospitals and Clinics--Psychiatric Pavilion
Replacement Facility--Phase A \$46,000
Shive-Hattery Engineers & Architects, Inc., Iowa City, Iowa

Shive-Hattery Engineers & Architects, Inc., has been retained to provide on-site and laboratory testing during construction of the project.

The university presented one amendment to a consultant agreement for approval by the Board:

Water Treatment Plant Expansion \$158,300
Stanley Consultants, Inc., Muscatine, Iowa

Last month the Board approved the award of a contract to construct the Water Treatment Plant Expansion and a major change in the project budget due to an underestimate of the construction cost. The university recommended and the Board approved that this project move forward because it is a non-discretionary need. The university recommended this amendment to the contract to provide for administration and inspection services for the Water Treatment Plant Expansion project. Services will be provided based on a multiple of 2.1 times direct personnel expense to a maximum of \$158,300. Reimbursable expenses are allowed up to \$8,000.

CONSTRUCTION CONTRACTS

The following construction contracts were awarded by the Executive Secretary:

Field House Addition--Phase I--Site Demolition and Deep Foundations \$444,000

Award to: Mid-America Construction Company of Iowa,
Iowa City, Iowa

(4 bids received)

University Hospitals and Clinics--Radiation Therapy Renovation \$429,665

Award to: McComas-Lacina Construction Company, Inc.,
Iowa City, Iowa

(2 bids received)

Rienow Hall--Replace Windows \$381,514

Award to: EFCO Corporation, Monett, Missouri

(5 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

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

Westlawn--Counseling Service Remodeling--Third Floor South \$214,874
McComas-Lacina Construction Company, Inc., Iowa City, Iowa

<u>Bowen Science Building Pathological Waste Incinerator</u> TRICON, Iowa City, Iowa	<u>\$75,072</u>
<u>Hawkeye Drive Apartments--Domestic Water Piping Replacement--</u> <u>Phase III</u> AAA Mechanical Contractors, Inc.	<u>\$233,311</u>
<u>Campus Video System--Residence Hall and Married Student Housing</u> Shay Electric Service, Inc., Iowa City, Iowa	<u>\$26,580</u>
<u>University Hospitals and Clinics--Diagnostic Radiology Completion</u> <u>Phase--Work Category 4--Resilient Flooring and Carpeting</u> Appleby and Horn Tile Company, Cedar Rapids, Iowa	<u>\$54,857</u>
<u>University Hospitals and Clinics--Diagnostic Radiology Completion</u> <u>Phase--Work Category 3--Ceramic Tile</u> Appleby and Horn Tile Company, Cedar Rapids, Iowa	<u>\$18,506</u>

FINAL REPORTS

The university submitted a final report on the following completed construction project.

Library South Site Roadway \$397,119.58

MOTION: Regent Williams moved approval of the University of Iowa capital register. Regent Greig seconded the motion, and it carried unanimously.

LEASE OF PROPERTY BY STATE BOARD OF REGENTS -- ST. JOSEPH HOSPITAL, OTTUMWA, IOWA. The Board Office recommended the Board approve a lease with Ottumwa Regional Hospital (formerly St. Joseph Hospital), Ottumwa, for the university's use of approximately 612 square feet of office and clinical space (rooms 203, 204, 205, and 206) in the building located at 317 Vanness Avenue, Ottumwa, at an annual rent of \$3,060 for the term April 1, 1988 to March 31, 1989 (renewal).

Ottumwa Regional Hospital - the Board currently rents this same space at the hospital for the Southeast Regional Office of Iowa Specialized Child Health Services. The current rental rate is calculated at \$5.00 per square foot per year. The rate will remain the same for the new lease.

Essential terms and conditions of the lease are as follows:

BOARD'S STATUS: Tenant

LOCATION: Ottumwa Regional Hospital, 317 Vanness Avenue, Ottumwa, Iowa

PROPERTY RENTED: Rooms 203, 204, 205, and 206

PERIOD: One year commencing April 1, 1988

RATE: \$5.00 per square foot per year (\$3,060)

USE OF SPACE: Office and clinic for regional child health specialty clinics

LIABILITY: Tenant responsible for contents, landlord responsible for building

HOLD HARMLESS CLAUSE: None

UTILITIES: Furnished by landlord

SERVICES: Furnished by landlord

PARKING: Public parking available

COMPARABLES: The lease is considered favorable. For space within a hospital to accommodate a clinic, there is not an alternative to which to compare.

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

MOTION:

Regent VanGilst moved to approve a lease with Ottumwa Regional Hospital (formerly St. Joseph Hospital), Ottumwa, for the university's use of approximately 612 square feet of office and clinical space (rooms 203, 204, 205, and 206) in the building located at 317 Vanness Avenue, Ottumwa, at an annual rent of \$3,060 for the term April 1, 1988 to March 31, 1989 (renewal). Regent Greig seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: Duchen, Pomerantz.

RESOLUTION FOR ABANDONMENT OF FACILITIES -- MODULAR HOUSING - HAWKEYE PARK.
The Board Office recommended the Board adopt the resolution for abandonment of the Hawkeye Park housing project.

The university requested Board approval to permanently exclude the Hawkeye Park housing project from the University Resident Hall System. The project contains 50 modular housing units. In order to comply with the covenants of outstanding resident hall revenue bonds, the Board must authorize the abandonment of the 50 modular housing units.

Deleting the Hawkeye Park housing project from the university's residence system will decrease gross revenues by \$115,339. The bond covenant requirement is that the residence system maintain a earning ratio of net operation revenue to debt service of 1.35 to 1. The University of Iowa residence system maintained a 2.42 ratio during 1987 and would have maintained a 2.37 ratio without the revenue from the Hawkeye Park modular units.

Currently 33 of the 50 units are occupied. The university estimated that approximately 80 people live in these units. The residents were notified by letter February 3, 1988, of the request to the Board to abandon the units. The university again notified and met with tenants after the February Board meeting and offered the following considerations:

1. Top priority to relocate to vacant units within family housing
2. Waiver of the usual \$50 transfer fee
3. Financial assistance to pay for moving transportation
4. Waiver of terms of present lease if tenant wants to move prior to end of lease
5. Summer session graduates may remain in trailers until August 8, 1988.

The Hawkeye Park units monthly rental rate is comparable to other similar family housing units available. The university reported that any appeal of these units does not seem to be cost but rather the fact that they are self-contained units and do not share walls like other family housing.

It was anticipated the units will be sold at public auction for salvage value. The units would be abandoned and phased out of the dormitory system as soon as practical.

The resolution was approved by the Board's bond counsel as complying with the covenants of the outstanding residence system bonds. The language of the resolution is as follows:

The University of Iowa
Resolution for Abandonment of Facilities

WHEREAS, by its Resolution of November 15, 1963, the State Board of Regents of the State of Iowa authorized the issuance of Dormitory Revenue Bonds and pledged the revenue from the dormitory system of the State University of Iowa in payment thereof, the terms, covenants and conditions of which are fixed by

and appear in said resolution; and Article Six thereof authorizes the abandonment, from time to time, of facilities in said dormitory system no longer economical;

AND WHEREAS; the State University of Iowa still has in use and operation, as part of its dormitory system, fifty modular housing units and service facilities therefore, used for married student housing, erected in 1977 with a then useful life of ten years;

AND WHEREAS, the continued use of said facilities is no longer advisable;

NOW, THEREFORE, BE IT HEREBY RESOLVED by the State Board of Regents of the State of Iowa as follows:

- 1) It is hereby determined that the age and physical condition of the 50 modular housing units known as Hawkeye Park no longer permits the economical operation thereof;
- 2) It is also hereby determined that the net rents, profits and income of the dormitory system available for payment into the "Dormitory Revenue Sinking Fund" after giving effect to the abandonment of said units, as shown by the annual audit for the last preceding fiscal year ending June 30, 1987 (with adjustments to reflect any increase in rates, fees, rentals or charges or additional facilities being incorporated into the system) will be equal or to greater than 1.35 times the maximum annual amount to become due in any succeeding fiscal year for the payment of principal of and interest on any now outstanding bonds issued pursuant to the original bond issue and bonds ranking on a parity therewith;
- 3) That said above described units be abandoned and phased out of the dormitory system as soon as practical;
- 4) The officials of the State University of Iowa are hereby authorized to take the necessary steps to effect the above described abandonment of facilities.

Director Droll stated the meeting with students involved discussion with four families to clarify the university's process and to discuss how and where they are going to be moving. There are approximately fifteen families university officials have not heard from.

Regent Williams asked about the option offered to families to provide financial assistance to help them move. Mr. Droll responded that will be a relatively small cost.

MOTION:

Regent Tyler moved to adopt the resolution for abandonment of the Hawkeye Park housing project. Regent Greig seconded the motion,

and upon the roll being called, the following voted:
AYE: Duchen, Fitzgibbon, Greig, Harris, Tyler, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Pomerantz.

Regent VanEkeren stated this was a very unfortunate situation for the families. She thanked university officials for the effort they put forth.

Vice President Phillips thanked Mr. Droll for the efforts of his office.

Acting President Harris also thanked university officials for the effort they made to communicate with the students. He added that he felt he owed the university an apology for a rather harsh and trigger reaction on his part at last month's meeting. He apologized and said he was very pleased with the way the situation has been handled. He said that some students will still be unhappy but they should continue to deal with the administration and know they will receive the best help possible.

RESIDENCE SYSTEM. a) Fund Transfer. The Board Office recommended the Board approve a proposed transfer of \$1,306,000 from the Dormitory Surplus Fund to the Dormitory Improvement Fund.

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

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

Expenditures for major repairs, replacements and renovations for fiscal year 1988 are estimated at \$3.2 million. In 1987 the Board authorized the transfer of \$3.1 million from the University of Iowa's Residence System Surplus Fund to the Improvement Fund to support this expenditure. The following table shows the proposed transfer to the Improvement Fund:

Improvement Fund

June 30, 1987 Improvement Fund Balance	\$4,135,931
Less Estimated Fiscal Year 1987 Improvement Fund Expenditures	<u>3,160,631</u>
	\$ 975,300
Mandatory Fiscal Year 1988 Transfer to Improvement Fund	\$ 600,000
Proposed Voluntary Fiscal Year 1988 Transfer to Improvement Fund	<u>1,306,000</u>
Proposed June 30, 1988 Improvement Fund Balance	\$2,881,300

The following table shows the corresponding proposed transfers from the Surplus Fund:

Surplus Fund

June 30, 1987 Surplus Fund Balance	\$2,669,193
Net Revenues Fiscal Year 1988	<u>1,525,177</u>
	\$4,194,370
Less Proposed Voluntary Fiscal Year 1988 Transfer to Improvement Fund	<u>\$1,306,000</u>
Proposed June 30, 1988 Surplus Fund Balance	\$2,888,370

The university has budgeted expenditures for major repairs, replacements and renovations for fiscal year 1989 to be \$2.88 million. The projects for fiscal year 1989 to be supported by the Improvement Fund are listed below:

<u>Fiscal Year 1989 Major Repairs, Replacements and Renovations</u>	<u>Amount</u>
Replacement of Water Piping	\$ 317,142
Replacement of Heat Convectors	28,855
Renovation of Electrical	430,000
Replacement of Gutters and Roofs	140,700
Replacement of Windows and Storm Doors	468,800
Miscellaneous Projects under \$25,000	374,311
Equipment Replacement	<u>1,071,530</u>
Total	\$2,881,338

MOTION:

Regent VanGilst moved to approve a proposed transfer of \$1,306,000 from the Dormitory Surplus Fund to the Dormitory Improvement Fund. Regent Duchen seconded the motion, and it carried unanimously.

b) Rates 1988-89. The Board Office recommended the Board (1) approve the proposed rate schedule for the residence halls beginning with the 1988-89 academic year, (2) approve the proposed rate schedule for family housing units beginning with new and renewed leases May 1, 1988, and (3) accept the preliminary residence system budget for 1988-89, subject to further review and action when university operating budgets are approved for 1988-89.

Proposed Rate Changes:

The University of Iowa proposed a dormitory rate for a double occupancy room with full board of \$2,489 per occupant, an increase of \$123 or 5.2 percent over 1987-88. Increases for family housing are approximately 3 percent.

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

<u>Fiscal Year</u>	<u>Rate</u>	<u>Change</u>
1984	2,051	3.8%
1985	2,127	3.7
1986	2,244	5.5
1987	2,366	5.4
1988 (Proposed)	2,489	5.2

The university reported that its proposed rate increases average 4.3 percent for residence hall room and board operations. The proposed rates for multiple, triple, double and single occupancy rooms with full board range from \$2,217 to \$2,789 per academic year. The proposed room rate increases over 1987-88 vary from 5.0 percent to 7.8 percent. Additional charges are assessed for rooms with air conditioning, private bath, kitchen units or suites.

The proposed rates for double occupancy rooms include increases of 5.9 percent in the basic room rate and 4.5 percent in the annual board rate for 20 meals per week. Other board options include lunch and dinner only or breakfast and dinner only as well as Monday through Friday options available to residents of the Mayflower and off-campus students.

The proposed basic room rates include the Associated Residence Halls Activity Fee of \$6 per year. This fee is collected from residents for their student government and is divided between the Associated Residence Halls budget and the building associations (the student government organization for each building). This fee remains lower than comparable fees at Iowa State University and the University of Northern Iowa.

The university reported that representatives of the Associated Residence Halls (ARH) organization reviewed several proposals for housing rate increases and recommended the plan being requested by the university.

Monthly rates for family housing are proposed to range from \$144 to \$274.25. The increases proposed range from \$4.25 per month to \$8.75 per month (3.0 percent to 3.3 percent increases).

Preliminary Budget Estimates:

The university reported a revised estimate of its budget for 1987-88 reflecting an increase of \$66,002 in revenues over the amount originally budgeted and a decrease of \$99,465 in expenditures. The revised budget provides \$1.9 million to the voluntary reserves, an increase of \$165,467 over the original budget level.

The university proposed a preliminary residence system revenue budget for 1988-89 of \$21,871,436. This revenue would finance \$17,437,041 in budgeted expenditures for operations with the remainder for debt service, reserves and university overhead payments. The proposed budget has a 3.4 percent increase in revenues and an 4.8 percent increase in operating expenditures as compared to the revised budget. The revised budget for 1987-88 and the proposed budget for 1988-89 are shown below:

Residence System Preliminary Budget

	Revised Budget <u>1987-88</u>	Proposed Budget <u>1988-89</u>
OPERATIONS (Accrual Basis)		
Revenues	21,159,319	21,871,436
Expenditures for Operations	<u>16,641,507</u>	<u>17,434,041</u>
Net Revenue Prior to Transfers	4,517,812	4,437,395
Debt Service (due July 1)	2,012,215	2,018,365
Other Transfers	<u>600,000</u>	<u>600,000</u>
Mandatory Transfers	1,905,597	1,819,030
University Overhead Payment from Surplus	<u>352,920</u>	<u>353,409</u>
Net Revenue	1,552,677	1,465,621

Budgeted expenditure increases for 1988-89 over the revised estimates for 1987-88 are shown below by expenditure category:

<u>Expenditure Category</u>	<u>Proposed Change 1987-88 Over 1986-87</u>
Salaries, Wages and Benefits	6.4%
Cost of Food or Goods Sold	3.4
Repairs and Maintenance	4.1
Utilities	8.0
Other Operating Expense	7.5
TOTAL OPERATING EXPENDITURES	4.8%

Utilities expenditures are projected to increase by 8.0 percent, the highest among the categories shown. Much of the increase result from the debt service requirements of the new fluidized bed boiler. The new boiler is expected to begin operation this year.

Repairs and maintenance costs within the operating budget are expected to increase by 4.1 percent with total expenditures of \$1.76 million budgeted in 1988-89. In addition, the university reported planned expenditures of \$2.88 million from voluntary reserves for major repairs, replacements and renovations.

Revenues are projected to increase by 3.4 percent. An overall increase of 4.2 percent is projected in contract income (room, board and apartment rents). Other income is projected to increase slightly. A decrease of 9.8 percent is anticipated in interest income.

The university's income projections are based on the proposed rate increases and reflect a projected decrease in occupancy of single student housing.

* * * * *

The University of Iowa residence system reports total revenue bond indebtedness (principal only) as of September 30, 1987, of \$24,035,000. This indebtedness includes the dormitory system bonds sold for the purchase and renovation of the Mayflower Apartments in 1983.

The bond resolutions also require that the ratio of net operating income to debt service due must exceed 1.5 before any additional bonds are issued. This ratio has generally been maintained at over 2.0 and is projected to be 2.2 for 1988-89.

The proposed budget for 1988-89 indicates net revenue of \$1,465,621. This amount is available for voluntary reserves including the operation and maintenance fund, the improvement fund and the surplus fund. The total voluntary reserve balance as of June 30, 1989, is projected to be \$5.95 million.

The Board Office noted that the proposed residence system budget for 1988-89 appears to be based on reasonable projections of revenues and expenditures. The proposed rates appear to be sufficient to generate adequate revenues to support expenditures for operations, debt service, mandatory reserves, university overhead, repair and renovation of the physical plant and voluntary reserves.

Vice President Phillips stated the overall increase is 5.2 percent and does take into account expected inflationary increases. She said an extensive consultation process took place starting in mid-February. Some adjustments had resulted from that process. She noted that no one likes to bring an increase but this increase will accommodate the system for the next year and minimize the burden to the students.

MOTION: Regent Williams moved to (1) approve the proposed rate schedule for the residence halls beginning with the 1988-89 academic year, (2) approve the proposed rate schedule for family housing units beginning with new and renewed leases May 1, 1988, and (3) accept the preliminary residence system budget for 1988-89, subject to further review and action when university operating budgets are approved for 1988-89. Regent Greig seconded the motion.

Regent Williams stated that the way this has occurred is just an indication of how smoothly things can operate when there is cooperative communication.

Vice President Phillips stated the students worked very hard at this endeavor.

VOTE ON THE MOTION: The motion carried unanimously.

AMENDMENT TO EASEMENT - CITY OF CORALVILLE. The Board Office recommended the Board approve an amendment to an easement between the State Board of Regents and the City of Coralville, Iowa, to include relocated utility poles.

The original easement was for improving the roadway at the intersection of First Avenue and Highway 6 in Coralville, Iowa. It was approved by the Board in September 1987. The city proposed to expand the existing roadway over a portion of university property. That easement involved the western boundary of university property used for intramural playing fields.

The proposed amendment will allow for the relocating of utility poles which are currently along the east side of the roadway. It is necessary to amend the easement to include the provision for relocated utility poles. The amount of land included in the easement is not changed by this amendment.

Acting President Harris stated he had read a newspaper article about the relationship between the university and the city of Iowa City which made some mention that when the university decides to seek an easement there is perhaps not timely consultation with the city.

Vice President Phillips responded that this easement is with the city of Coralville. With respect to easements with Iowa City she said Associate Vice President Mary Jo Small is the head of a team that is in the midst of discussions with Iowa City officials.

Associate Vice President Small stated the city is interested in more written and comprehensive agreements with the university than was true under previous city managers. University officials have entered into discussions with the city to create a 28E Agreement to establish formal procedures for items which were previously handled informally.

MOTION:

Regent Williams moved to approve an amendment to an easement between the State Board of Regents and the City of Coralville, Iowa, to include relocated utility poles. Regent Greig seconded the motion, and upon the roll being called, the following voted:
AYE: Fitzgibbon, Greig, Harris, Tyler, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Duchen, Pomerantz.

MISCELLANEOUS FEES SCHEDULE -- 1988-89. The Board Office recommended the Board approve the University of Iowa's miscellaneous service fees for 1988-89, effective with the 1988 Summer Session.

The university requested approval of its schedule of miscellaneous service fees. The proposed schedule of fees for miscellaneous services was presented at the January 1988 Board of Regents meeting. The university withdrew the schedule to provide additional time to consult with students.

Since the January Board meeting, two meetings were held with student representatives to discuss fee charges. The university reported that general agreement was reached on the revised fee schedule.

This schedule differs from the schedule submitted to the Board in January in two areas. The fee for ID card replacement was left at the fiscal year 1988 rate for the first replacement and was proposed to be raised to \$4 for each replacement card after the first replacement.

The other changes related to the costs of providing transcripts. The university proposed that the cost for a single transcript copy remain the

same. The surcharge for copies while you wait was proposed to increase \$2 instead of the previous proposal of \$4. Finally, the university proposed to increase the charge for additional transcript copies from \$1 to \$2.

No new fees were proposed, but the University of Iowa proposed the following changes in fees:

	<u>FY 1988</u>	<u>FY 1989</u>	<u>% Change</u>
Application for Admission--Foreign	20	30	50.0%
Change of Registration	4	8	100.0%
ID Card Replacement*	6	10	66.7%
Late Registration	10	20	100.0%
Orientation Services	5	15	200.0%
University Placement Reference File Student	8	12	50.0%
Job Bulletin Student	8	12	50.0%
Campus Interview Sign-up	10	12	20.0%
Transcript Additional Copies	1	2	100.0%
Surcharge for Copies While You Wait	1	2	100.0%

*After one replacement per year

Vice President Hubbard stated many of the proposed increases involve fees assessed only when students are delinquent, such as the ID replacement and late registration fees, which had not been increased in a number of years. He said the foreign admissions cost to the university is considerable due to postage expenses. Students from many countries make application to up to ten colleges. University officials have put a surcharge on the application fee for foreign students. If those students register and enroll that extra fee is applied to their account. He said university and student representatives still do not agree on late registration, ID replacement and transcript fees.

Mr. Reck requested students be allowed one ID replacement at the old rate of \$6. He said the students do not feel the increase is reflective of the cost. Students prefer the fee for transcript changes proposed in January to the one proposed this month.

Regent VanEkeren asked if the change in registration fee is charged when students drop or add classes. Vice President Hubbard stated students drop and add classes frequently, as much as two to three times in one semester. He said the registrar's office does waive that fee when cause is shown.

Regent VanEkeren asked if students know that it is waivable if they can show cause. Vice President Hubbard stated there is no charge for adding or dropping classes during the first ten class days.

Acting President Harris asked whether those who request to add or drop a class more than ten days after classes start are told the fee can be waived.

Vice President Hubbard responded that university officials don't "advertise" that.

Acting President Harris asked that university officials advise students of that right. Vice President Hubbard stated it would be put into the schedule of courses.

Regent VanEkeren stated she disagreed with the increased fee for copies of transcripts. She said that is the function of that office to provide those kinds of services to students. Most students when applying for jobs have to submit original transcripts.

Vice President Hubbard stated the increase was for students who want the transcripts right away. The university's hope is that the students will come in the day following their request to pick up the transcripts.

MOTION: Regent Williams moved to approve the University of Iowa's miscellaneous service fees for 1988-89, effective with the 1988 Summer Session. Regent Tyler seconded the motion, and it carried unanimously.

LEASE OF PROPERTY BY INTEGRATED DNA TECHNOLOGIES, INC. TECHNOLOGY INNOVATION CENTER. The Board Office recommended that the Board approve the lease with INTEGRATED DNA TECHNOLOGIES, INC., for its use of approximately 1,682 square feet of office space (Rooms 20, 3, 3A, 3A-1, 3B, 3C, 3D, 34A and 34B) in the Physiology Research Building in the Technology Innovation Center (TIC) at the Oakdale Campus for a period of one year commencing April 1, 1988, and ending March 31, 1989, at a rate for the period of \$15,507.96 (new).

Essential terms and conditions of the lease are as follows:

BOARD'S STATUS: Landlord

LOCATION: Physiology Research Building, Technology Innovation Center, Oakdale Campus

PROPERTY RENTED: 1,682 square feet, Rooms 20, 3, 3A, 3A-1, 3B, 3C, 3D, 34A and 34B

PERIOD: One year, commencing April 1, 1988

RATE: \$10 per square foot per year for Rooms 20, 3, 3A, 3A-1, 3B, 3C and 3D and \$6 per square foot per year for Rooms 34A and 34B

USE OF SPACE: Offices, applied research, product development and marketing

LIABILITY: Tenant is responsible for contents, landlord is responsible for building

HOLD HARMLESS: None

UTILITIES: Furnished by landlord

SERVICES: Furnished by landlord

PARKING: Available on a first come, first served basis

COMPARABLES: Same as for other new tenants in this quality of space in the TIC

MOTION:

Regent Fitzgibbon moved to approve the lease with INTEGRATED DNA TECHNOLOGIES, INC., for its use of approximately 1,682 square feet of office space (Rooms 20, 3, 3A, 3A-1, 3B, 3C, 3D, 34A and 34B) in the Physiology Research Building in the Technology Innovation Center (TIC) at the Oakdale Campus for a period of one year commencing April 1, 1988, and ending March 31, 1989, at a rate for the period of \$15,507.96 (new). Regent VanEkeren seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: Duchon, Pomerantz.

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

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, March 23 and Thursday, March 24, 1988.

RATIFICATION OF ACTIONS IN REGISTER OF PERSONNEL CHANGES FOR FEBRUARY 1988, INCLUDING PHASED AND EARLY RETIREMENT REQUESTS. The Board Office recommended the Board approve the Register for the month of February 1988.

The Register included employees who met requirements for and who were approved by the institution for phased retirement and early retirement, as follows:

Phased Retirement

Paul W. Hollenbach, retiring May 20, 1993
William John Welshons, retiring December 31, 1990

Early Retirement

Irene Beavers, retiring May 31, 1988

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

APPROVAL OF P&S CLASSIFICATION CHANGES. The Board Office recommended the Board approve the following revisions in the university's professional and scientific classification plan:

1) <u>New Class Titles</u>	<u>Pay Grade</u>
Administrative Assistant I	P2 (\$17,329 - \$25,316)
Administrative Assistant II	P3 (\$19,878 - \$29,644)
Administrative Assistant III	P4 (\$23,063 - \$34,890)
Program Assistant IV	P4 (\$23,063 - \$34,890)

2) Class Titles to be Deleted

Anchor-TV I	Meteorologist III
Anchor-TV II	News Director-TV
Assignment Editor	Production Manager
Director-TV I	Reporter I
Director-TV II	Reporter II
General Manager	Reporter III

Attorney General, the Board, and the executive secretary in major legal matters involving outside counsel.

As position descriptions and pay grade assignments have not been completed by the university, the university requested that the Board grant its executive secretary authority to approve them so that a search for a Director may be begun before the next Board meeting.

President Eaton asked that university officials be allowed to move ahead in this endeavor under the supervision of the executive secretary. He said Assistant to the President Crawford functioned as legislative liaison and an attorney who advised on "people" matters, as well as being the liaison with Board Office staff and the Attorney General's office on legal issues. A year ago President Eaton appointed another attorney as Mr. Crawford's assistant because the workload continued to grow. Upon the resignation of Mr. Crawford they looked at the content of his job and sought recommendations on whether the university should recruit someone who would carry out both functions. It was decided that it was time to separate those functions. The legislative liaison job description was then developed and a recommendation was made to add a senior attorney to the staff. President Eaton appointed a second committee to look at that issue. Most of the membership of the committee came from outside the university. The committee's recommendation concluded that the university needed a senior attorney. The present 3.5 attorneys located in the business and president's offices would be combined into the new Office of Administrative Services with a newly-hired director. University officials wish to prepare a job description and begin a search for a person to fill this role.

Regent Williams asked for clarification of the term "intellectual property matter".

President Eaton responded that term included legal issues such as ownership versus ideas for computer programs, patents, copyrights and royalties between faculty and the institution.

MOTION:

Regent VanEkeren moved to (1) approve the establishment of an Office of Administrative Services at the university for the purpose of providing legal services to the president and university consistent with the university's exhibit; and (2) authorize the executive secretary to approve position descriptions and pay grade assignments for the professional-scientific positions established in this new office, consistent with the university's point-count instrument for pay grade assignments. Regent Williams

seconded the motion, and it carried unanimously.

APPROVAL OF ADMINISTRATIVE APPOINTMENT. The Board Office recommended the Board approve the appointment of RONALD C. POWERS as Interim Dean of University Extension and Interim Director Cooperative Extension Service in Agriculture and Home Economics, at an annual salary of \$79,000, effective June 1, 1988, and serving until a permanent Dean and Director is named.

President Eaton presented the following supplemental appointment:

Approval of Dr. Dayton D. Hultgren as Executive Director of Development, effective April 4, 1988. Salary \$90,000.

President Eaton stated that Dr. Powers will undertake an in-depth study of extension activities and will assist in evaluating the present organizational structure to determine whether the budget is appropriate. President Eaton stated it seemed an appropriate time to undertake such a study with the change in leadership taking place. Dr. Powers will serve for one year until university officials decide how they will proceed with agriculture extension services.

President Eaton stated his office has been working with an executive search firm for one year to fill the Executive Director of Development position. They have conducted two searches. The first candidates were hired by other organizations before the university had completed its selection process.

Regent VanGilst asked whether the name of the Department of Home Economics has been changed. President Eaton responded that the college is called the College of Family and Consumer Science. He said both the college and the extension service carry the same name.

MOTION:

Regent Fitzgibbon moved to approve the appointment of RONALD C. POWERS as Interim Dean of University Extension and Interim Director Cooperative Extension Service in Agriculture and Home Economics, at an annual salary of \$79,000, effective June 1, 1988 and serving until a permanent Dean and Director is named; and, to approve Dr. Dayton D. Hultgren as Executive Director of Development, effective April 4, 1988. Salary \$90,000. Regent Williams seconded the motion, and it carried unanimously.

REGISTER OF CAPITAL IMPROVEMENTS BUSINESS TRANSACTIONS. The Board Office recommended the Board approve the capital register.

PROJECT DESCRIPTIONS AND BUDGETS

The university submitted five projects and project revisions for approval by the Board. Three of the projects are highlighted below.

1988 Institutional Roads Projects--Resurface Selected
Campus Streets (1988) \$142,000
Source of Funds: 1988 Institutional Road Fund

Knoll--Building Security System \$8,000
Source of Funds: Income from Treasurer's Temporary Investments

University security and facilities staff recommended that security for the Knoll be improved through replacement of old and outdated hardware on lower level windows and doors, installation of an alarm system, and additional exterior lighting.

Veenker Memorial Golf Course--Cart Storage Building \$20,000
Source of Funds: ISU Achievement Foundation

The university proposed to construct a 36' x 60' metal golf cart storage building. The university reported that the building will be located away from the entrance and high visibility areas.

* * * * *

The university presented five new projects that will be initiated in the coming months with budgets of less than \$250,000 and three projects with revised budgets. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university. Two projects of particular interest are the remodeling of the Ruminant Nutrition Laboratory for \$243,000 and the creation of a microcomputer lab in Heady Hall for \$85,000.

CONSULTANT AGREEMENTS

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

Laboratory Animal Facilities--Partial Renovations \$42,000
The Durrant Group, Inc., Dubuque, Iowa
(Architectural Services)

This project consists of remodeling 1,800 square feet in Science Hall, 8,500 square feet in the Veterinary Medicine College, and 4,800 square feet in the Small Animal Isolation Building.

Dairy Industry--Addition and Renovation \$190,000
Bussard/Dikis Associates, Ltd., Des Moines, Iowa
(Architectural Services)

The architect selection committee interviewed four firms of the 24 which submitted proposals, and recommended the selection of Bussard/Dikis Associates, Ltd., to provide architectural services. Regents Tyler and Fitzgibbon attended the interviews conducted by the architect selection committee. The initial agreement with the architect is for \$190,000. The overall Dairy Industry--Addition and Renovation project is proposed to be accomplished in three phases with a total project budget of over \$14 million. Most of the funds are expected from a U.S. Department of Agriculture grant.

Regent Tyler stated the architect selection process was very interesting and he did not have any problem with the way the university selects its architects. The participants included the users of the facility, staff persons and officers of the university. He said it was well handled and thoroughly considered.

Regent VanEkeren asked whether the facility is located on Mortenson Street. Vice President Madden responded that it is located on the agriculture portion of the campus, south of Curtiss.

Meats Laboratory Addition \$64,600
Rudi/Lee/Dreyer & Associates, Ames, Iowa
(Architectural Services)
CH2M Hill, Albuquerque, New Mexico \$90,000
(Engineering Services)

The university has decided to proceed with schematic design and design development phases of the project using a linear accelerator as the irradiation source. Among the tasks to be assigned to the project engineer is the preparation of a request for proposals to purchase an appropriate linear accelerator. The university has negotiated an agreement with Rudi/Lee/Dreyer and Associates for architectural services based on a multiple of direct personal expenses with a maximum of \$64,600.

Last year the Governor and General Assembly authorized Academic Building Revenue Bonds to be used to finance a portion of this project. The Board of Regents, at its meeting in June 1987, tentatively allocated \$1 million to this project, subject to adequate funding being available for the Molecular Biology Building and the Home Economics Addition (Department of Family and Consumer Science). The funding for the schematic design phase of the project is expected from the U.S. Department of Energy.

CONSTRUCTION CONTRACTS

The following construction contracts were awarded by the Executive Secretary:

<u>Car Pool Fueling Station</u>	<u>\$271,438</u>
Award to: R. H. Grabau Construction, Inc., Boone, Iowa (2 bids received)	
<u>Utilities--Replace Steam Generators No. 1 & 2-- Opacity Monitoring System</u>	<u>\$60,540</u>
Award to: Dynatron, Inc., Wallingford, Connecticut (3 bids received)	
<u>1987 Institutional Roads Projects--Elwood Drive- Sixth Street Signalization</u>	<u>\$44,450</u>
Award to: Dickinson Company, Inc., Oskaloosa, Iowa (4 bids received)	

Elwood Drive is the principal entrance to the university from U.S. Highway 30. It passes through the area occupied by the Iowa State Center and Cyclone Stadium.

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Inspection of the following project found that the contractor complied with the plans and specifications. The university recommended that the work on the project be accepted as complete.

<u>The Durham Center--Electrical Conduit</u>	<u>\$24,240</u>
Devereaux Electric of Ames, Ames, Iowa	

FINAL REPORTS

The university submitted final reports on the following completed construction projects. Both of these projects were completed several years ago, although the final report closeouts have just occurred. A minor budget change for the Quadrangle Remodeling--Phase I, is in another portion of the capital register.

<u>Quadrangle Remodeling--Phase I</u>	<u>\$5,555,224.60</u>
<u>Library Remodeling</u>	<u>\$3,605,356.39</u>

MOTION: Regent Fitzgibbon moved to approve the Iowa State University capital register. Regent VanEkeren seconded the motion, and it carried unanimously.

SECURITY PERSONNEL - DESIGNATION AS REGULAR SPECIAL SECURITY OFFICER. The Board Office recommended the Board approve the appointment of Robert Fey to regular status as a special security officer.

Mr. Fey's application for certification from the Iowa Law Enforcement Academy was approved effective March 2, 1988.

ACTION: Acting President Harris stated the Board approved the appointment of Robert Fey to regular status as a special security officer as a consent item.

AMES, CITY OF - INCREASED AND EXTENDED FIRM POWER AND ENERGY AGREEMENT. The Board Office recommended the Board authorize Iowa State University to enter into an agreement with the City of Ames extending the present power agreement through July 1, 1991.

In December 1985 the Board of Regents authorized the university to enter into an agreement with the City of Ames to provide firm power arrangements through July 1, 1990. Specific operating arrangements were specified in the agreement as well as amounts of power to be purchased and the rates of charge.

The university requested the agreement approved by the Board be extended from July 1, 1990, through July 1, 1991. The Board Office reviewed the proposed amendment and recommended the Board authorize the university to execute the agreement.

MOTION: Regent Williams moved to authorize Iowa State University to enter into an agreement with the City of Ames extending the present power agreement through July 1, 1991. Regent Greig seconded the motion, and it carried unanimously.

RESIDENCE SYSTEM RATES -- 1988-89. The Board Office recommended the Board (1) approve the proposed rate schedule for residence halls, effective June 1, 1988; (2) approve the proposed rate schedule for family/single student apartment housing, effective July 1, 1988; and (3) accept the preliminary residence system budget for 1988-89 subject to further review and action when university operating budgets are approved for 1988-89.

Iowa State University proposed a dormitory rate for a single, double or triple occupancy room with full board of \$2,480 per student. This is an increase of 10.6 percent over the 1987-88 rates. This projected rate increase and the rate increases of the past two years have been highest at Iowa State University among the three Regent universities.

The university recommended that monthly rates for apartment housing be held constant.

The university reported that student leaders have been informed of the proposed rate increases. The university indicated that students are not happy about the rate increase, but understand the need.

A significant decrease in the projection for occupancy in the 1987-88 budget has caused a revised estimate of the resident system budget. The 1987-88 revised budget has a decrease of \$1,100,960 in revenues compared to the original approved budget. Budgeted expenditures are decreased \$1,667,093. The revised budget has a decrease of \$566,133 available for voluntary reserves.

The university preliminary budget for 1988-89 projects a 1.6 percent increase in revenues over the 1987-88 budget and a 2.7 percent increase in expenditures for operations.

The resident system will begin to offer four optional meal plans instead of the traditional 20 meals per week beginning with the 1988 summer session. The availability of optional meal plans is anticipated to decrease the food service revenue.

Total bond indebtedness for Iowa State University resident system, as of June 30, 1987, was \$21,895,000. The bond resolutions for outstanding bonds will require minimum payments and transfers in 1988-89 of \$500,000.

The voluntary reserve balance for June 30, 1989, is projected to represent only 7.6 percent of anticipated revenues. Iowa State University's objective is to maintain a 15 percent balance of voluntary reserves to gross revenues. With continued enrollment and occupancy declines, careful attention to revenue and expenditure budgets needs to be considered to address the voluntary reserve decline.

Vice President Thielen presented a letter from Douglas Martin who is the student representative in this matter. Mr. Martin was unable to be at the meeting. Vice President Thielen stated the Iowa State University student reaction to the rates was much the same as those at the University of Iowa -- the students are supportive and understand the need for the increases. He referred to the table presented by Board Office staff which compared 1987-88 costs at eleven comparable land grant universities. He said that even though Iowa State University does have a significant rate increase they are still almost the lowest cost university.

President Eaton pointed out that the graph showed Iowa State University is the next to the lowest cost within the comparable universities. He said Iowa State University is a bargain.

Acting President Harris asked if it is common among universities to make arrangements so that a student can stay on campus during school breaks.

Vice President Thielen responded that Iowa State University usually provides temporary arrangements in one facility.

MOTION: Regent VanEkeren moved to (1) approve the proposed rate schedule for residence halls, effective June 1, 1988; (2) approve the proposed rate schedule for family/single student apartment housing, effective July 1, 1988; and (3) accept the preliminary residence system budget for 1988-89 subject to further review and action when university operating budgets are approved for 1988-89. Regent Fitzgibbon seconded the motion, and it carried unanimously.

LAND LEASE OF ALLEE RESEARCH CENTER WITH NEWELL POST 193, AMERICAN LEGION.
The Board Office recommended that the Board approve a lease with NEWELL POST 193, AMERICAN LEGION for the university's use of approximately 122.8 acres of farm land located one mile south of Newell in Buena Vista County for a period of three years commencing March 1, 1988, and ending February 28, 1991, at an annual rent of \$10,438. (Renewal)

This lease is for 122.8 acres of the 288 acre Allee Research Center in Buena Vista County, a part of the university's experiment station's agricultural research program. The remaining acreage in the Center is owned by the experiment station. The lease is paid with non-appropriated revolving funds generated by the sale of agricultural products.

The university's Agriculture and Home Economics Experiment Station operates the Allee Research Center in Buena Vista County, one mile south of Newell. The Center focuses on cattle feedlot management, corn breeding, and corn insects. The Center is comprised of 288 acres of land. The Iowa Experiment Station was willed approximately 165 acres of the Center land by George M. Allee. The university leases approximately 122.8 additional acres of tillable land from Newell Post 193, American Legion for the Center.

The leased land is secured for the three years at a rate of \$85 per acre per year. Center personnel report this is a fair rent based on input from farm management experts and a survey of other farm rentals in the area.

Regent Tyler asked why the arrangement was for a three-year instead of a one-year lease. Vice President Madden responded that it was consistent with the long-range planning for research efforts. Leasing this space on a three-year basis also reduces the annual administrative effort.

Regent Fitzgibbon asked if the property was income producing? Vice President Madden responded that they sell some products from the farm.

MOTION:

Regent Tyler moved to approve a lease with NEWELL POST 193, AMERICAN LEGION for the university's use of approximately 122.8 acres of farm land located one mile south of Newell in Buena Vista County for a period of three years commencing March 1, 1988 and ending February 28, 1991, at an annual rent of \$10,438. Regent Fitzgibbon seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: Duchen, Pomerantz.

ISIS LEASE - WASHINGTON BIOLAB. The Board Office recommended the Board approve a lease with WASHINGTON BIOLAB for their use of approximately 165 square feet of space (Room 206) in the Iowa State Innovation System incubator facility for five months commencing March 1, 1988, at a rent of \$378.15 for the term.

WASHINGTON BIOLAB was a tenant in the Iowa State Innovation System (ISIS) whose lease was terminated last month because its location in the basement of the ISIS facility was a fire hazard and because the tenant had not secured the required insurance. The ISIS found a location for the tenant which meets fire code requirements and the tenant has secured the required insurance.

The lease provides essential elements as follows:

BOARD'S STATUS: Landlord

LOCATION: Iowa State Innovation System Center (ISIS)

PROPERTY RENTED: 165 square feet -- Room 206

PERIOD: Five months, commencing March 1, 1988

RATE: \$5.50 per square foot per year. Rent for the period is \$378.15.

USE OF SPACE: Product Research and development, new business development and office purposes

LIABILITY: Tenant is responsible for contents. Landlord responsible for building. Tenant required to provide casualty and liability insurance protecting landlord in case of accidents or property damage (\$500,000 each).

HOLD HARMLESS CLAUSE: Yes

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

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

PARKING: Available on first come, first served basis

COMPARABLES: The rate is similar to that the university charges other ISIS tenants for similar space.

MOTION: Regent Williams moved to approve a lease with WASHINGTON BIOLAB for their use of approximately 165 square feet of space (Room 206) in the Iowa State Innovation System incubator facility for five months commencing March 1, 1988, at a rent of \$378.15 for the term. Regent Fitzgibbon seconded the motion, and upon the roll being called, the following voted:
AYE: Fitzgibbon, Greig, Harris, Tyler, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Duchen, Pomerantz.

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

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday, March 23 and Thursday, March 24, 1988.

REGISTER OF PERSONNEL CHANGES. The Board Office recommended the Board approve the register for the month of February 1988.

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

OTHER PERSONNEL TRANSACTIONS. The Board Office recommended the Board approve establishment of a new position, Operations Auditor, in pay grade 6 (\$31,116 - \$51,150) effective July 1, 1988, subject to recommendations from the Banking Committee of the Board.

This position was established following consultation with the Banking Committee of the Board to provide internal but independent audit functions for the president of the university and the Board of Regents. The proposed pay grade assignment was determined by application of the university's job evaluation system.

MOTION: Regent VanEkeren moved to approve establishment of a new position, Operations Auditor, in pay grade 6 (\$31,116 - \$51,150) effective July 1, 1988, subject to recommendations from the Banking Committee of the Board. Regent Williams seconded the motion, and it carried unanimously.

FACULTY PROMOTION AND TENURE RECOMMENDATIONS. The Board Office recommended the Board approve the faculty promotion and tenure recommendations at the University of Northern Iowa.

The University of Northern Iowa faculty promotion and tenure recommendations included 29 promotions, including the promotion of 9 persons to the rank of professor, 11 persons to the rank of associate professor, 6 persons to the rank of assistant professor and 3 persons to the rank of instructor. There were 22 males and 7 females recommended for promotion and/or tenure. The numbers of promotions and tenure requested are similar in number and pattern to previous years.

MOTION: Regent Greig moved to approve the faculty promotion and tenure recommendations at the

University of Northern Iowa. Regent
VanGilst seconded the motion, and it carried
unanimously.

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

The university requested authorization to proceed with project planning on repairs to Bender Hall. Bender Hall is a 13-story residence hall located in the north portion of the university campus. It has 109,000 gross square feet and was constructed in 1969. The university reported the facility has the capacity for 606 students.

The university reported that heating-ventilation-air conditioning problems have caused moisture to be pulled through the window casings requiring the university to replace the steel glazing system. Replacement of this system will present the opportunity for the university to install a more energy efficient sash structure.

The university requested permission to proceed with project planning and to select an architect. The construction cost on the project is projected by the university to be approximately \$1 million. For projects of this size a competitive architect selection process should be used. The recommended architect should be reported to the Board for approval.

The Board Office reported that the university's 10-year building program for the residence system reports an overall need for window replacement and ventilation system improvements for the Bender/Dancer residence system complex of approximately \$2.5 million. This capital outlay will have a substantial impact on the residence system surplus fund balance. These capital needs coupled with the revenue impact of projected declining enrollments should be examined carefully. Where opportunities arise for reducing fixed costs such as in decreasing capacity, those opportunities should be thoroughly explored.

Regent Fitzgibbon asked whether university officials had built additional fire safety into this project. Mr. Richey stated Board Office staff would discuss the possibility of that with university officials.

Regent Tyler stated that when university officials are ready to proceed with the architect selection process, Regents Fitzgibbon and Tyler would like to be involved in that process.

* * * * *

The university's capital register reported an \$80,000 project for roof, gutter and eave repairs to the auditorium building and the acceptance of a completed institutional roads construction project. The institutional roads

project was for an extension of Nebraska Street between 27th Street and 30th Street, south of the UNI-Dome. The project was completed by Cedar Falls Construction for \$223,945.

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

ELECTRIC INTERCONNECTION FACILITIES AND SERVICES AGREEMENT. The Board Office recommended the Board approve the electric interconnection facilities and services agreement with Cedar Falls Municipal Utilities subject to incorporation of changes suggested by the Attorney General's Office.

The university uses electric power from Cedar Falls Municipal Utilities in addition to the electric power generated at the university power plant.

The university recommended approval of a five-year agreement which would specify the rates of charge, minimum power purchases, and operating mechanisms between the university's electrical power system and Cedar Falls Municipal Utilities. This agreement would eliminate any demand charges for electric power. All rates of charge would be based upon a price per kilowatt-hour and the use of a fuel adjustment factor. Firm power would be billed at 3.966 cents per kilowatt-hour plus a fuel adjustment to compensate the Municipal Utilities where higher cost fuels must be utilized.

The agreement provides for interconnection facilities charges, firm and interruptable power charges, power charges during scheduled maintenance and power charges during emergencies.

The Attorney General's Office reviewed the agreement and indicated it was satisfactory, subject to several minor wording changes.

Regent VanGilst asked what type of arrangements the university had with Cedar Falls Municipal Utilities to exchange power when either has a unit that is not functioning?

Vice President Conner responded that the university is able to support Cedar Falls Municipal Utilities at some of their peak times and they support the university, and at a lower rate.

MOTION: Regent Tyler moved to approve the electric interconnection facilities and services agreement with Cedar Falls Municipal Utilities subject to incorporation of changes suggested by the Attorney General's Office. Regent Greig seconded the motion, and it carried unanimously.

RAZE HOUSE AT 1216 WEST 22ND STREET. The Board Office recommended the Board approve the razing of a house and garage located at 1216 West 22nd Street, Cedar Falls, Iowa.

The 1216 West 22nd Street property was approved for purchase by the Board at the December 1987 meeting. The lot was purchased for the express purpose to increase parking space in the northeast quadrant of the University of Northern Iowa campus. The Executive Council, at its meeting on January 4, 1988, approved the purchase of the property. The purchase price was \$19,500.

The building is approximately 75 years old and contains 1,312 square feet of space. The house and garage are reported to be in substandard condition, with renovation not considered feasible. The estimated cost of razing the buildings is \$9,200.

The lot contains 8,646 square feet and will yield approximately 22 parking spaces.

MOTION:

Regent VanEkeren moved to approve the razing of a house and garage located at 1216 West 22nd Street, Cedar Falls, Iowa. Regent Fitzgibbon seconded the motion, and upon the roll being called, the following voted:
AYE: Fitzgibbon, Greig, Harris, Tyler, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Duchen, Pomerantz.

RESIDENCE SYSTEM RATE CHANGES AND PRELIMINARY BUDGET. The Board Office recommended the Board (1) approve the proposed rate schedule for residence halls contracts effective with the fall semester, 1988; (2) approve the proposed rate schedule for apartment housing contracts effective July 1, 1988; and (3) accept the preliminary residence system budget for 1988-89, subject to further review and action when university operating budgets are approved for 1988-89.

Proposed Rate Changes:

The University of Northern Iowa proposed a dormitory rate for a double occupancy room with full board of \$2,150 per occupant, an increase of \$132 or 6.5 percent over 1987-88. No increases were proposed in apartment housing rates.

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

<u>Fiscal Year</u>	<u>Rate</u>	<u>Change</u>
1984	1,804	6.1%
1985	1,894	5.0
1986	1,950	3.0
1987	2,018	3.5
1988 (Proposed)	2,150	6.5

The proposed rates include increases of 6.6 percent in the annual room rate for double occupancy and 6.5 percent in the annual board rate for 20 meals per week. The basic rate for double occupancy at the University of Northern Iowa remains below comparable rates at the University of Iowa and Iowa State University.

The rate proposed for single occupancy with a 20 meal board contract is \$2,600, an increase of \$132 or 5.3 percent over 1987-88.

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

The university recommended that monthly rates for apartment housing be held constant for the fourth year in a row. These rates range from \$146 to \$220 per month. The university has reported previously that vacancy rates in the community remain high. A number of actions have been taken to strengthen and maintain occupancy in the university apartments, but occupancy ratios (ratio of occupants to design capacity) declined. With no increase in rates the university projects stable occupancy in 1988-89.

Preliminary Budget Estimate:

The university reported a revised estimate of its residence system budget for 1987-88 reflecting a decrease of \$477,551 in revenues compared to the original approved budget. A decrease of \$325,295 is reported in expenditures resulting in a net decrease of \$152,256 available for voluntary reserves. The revised 1987-88 budget provides \$710,417 to the voluntary reserves. This decrease in revenue is due to an over projection of occupancy for 1987-88.

The university proposed a preliminary residence system budget for 1988-89 of \$11,120,963. This budget would include \$9,526,000 in expenditures for operations, with the remainder for debt service, reserves and university overhead payments. The proposed budget has a 2.4 percent increase in revenues and a 5.3 percent increase in operating expenditures compared to the revised 1987-88 budget. The revised budget for 1987-88 and the proposed budget for 1988-89 are shown below:

Residence System Preliminary Budget

	<u>Revised Budget 1987-88</u>	<u>Proposed Budget 1988-89</u>
OPERATIONS (Accrual Basis)		
Revenues	10,859,420	11,120,963
Expenditures for Operations	<u>9,042,215</u>	<u>9,526,000</u>
Net Revenue Prior to Transfers	1,817,205	1,594,963
Debt Service (due July 1)	776,788	776,813
Other Transfers	<u>330,000</u>	<u>330,000</u>
Mandatory Transfers	710,417	488,150
University Overhead Payment from Surplus	<u>226,055</u>	<u>238,150</u>
Net Revenue	484,362	250,000

Budgeted expenditure increases for 1988-89 over the revised estimates for 1987-88 are shown below by expenditure category:

<u>Expenditure Category</u>	<u>Proposed Change 1988-89 Over 1987-88</u>
Salaries, Wages and Benefits	6.0%
Cost of Food or Goods Sold	3.2
Repairs and Maintenance	10.7
Utilities	2.5
Other Operating Expense	4.9
TOTAL OPERATING EXPENDITURES	5.3%

The budgeted expenditure increases are primarily the result of inflationary increases in all categories. The university does not expect any major changes in expenditures. Increases of approximately 6 percent are budgeted in salaries.

The budgeted expenditure for utilities does not reflect any increase for debt service to finance the new boiler. The cost to the residence system of financing the new boiler as recommended by the Governor would be approximately \$40,000 for fiscal year 1989 and would increase to approximately \$200,000 by fiscal year 1992.

Repairs and maintenance costs within the operating budget are expected to increase by 10.7 percent, with a total expenditure of \$880,266 budgeted in 1988-89. In addition, the university reported planned expenditures of

\$1.53 million from voluntary reserves for major repairs, replacements and renovations.

Total 1988-89 revenues are projected to increase by 2.4 percent over the revised 1987-88 budget. Decreases are anticipated in interest income and other income.

The university's budget projections for contract income are based on the proposed rate increases and assume stable occupancy in the university apartments and a decline of 93 in the residence hall occupancy.

* * * * *

The University of Northern Iowa residence system reports total revenue bond indebtedness (principal only) as of June 30, 1987 of \$10,190,000. Bond resolutions for outstanding bonds require minimum payments and transfers for 1988-89 as shown below:

Debt Service (Principal and Interest - Sinking Fund)	\$ 776,813
Mandatory Transfers (Improvement Fund)	<u>330,000</u>
Total	\$1,106,813

The bond resolutions also require that the ratio of net operating income to debt service due must exceed 1.5 before any additional bonds are issued. This ratio has been well above the required level and is projected to be 2.1 for 1988-89.

The proposed budget for 1988-89 indicates proposed net operating revenue of \$250,000. This amount is available for voluntary reserves, including the Improvement Fund and Surplus Fund. The total voluntary reserve balance as of June 30, 1989, is projected to be \$3.7 million. This amount represents 33.7 percent of revenues.

With the rate increases proposed, the amount available for transfer to voluntary reserves in 1988-89 will be less than for 1987-88. The voluntary reserve balance is expected to decline by approximately \$950,000. Nevertheless, the budgeted level of voluntary reserves remains more than adequate and it is apparent that any necessary repair, replacement and renovation projects could be undertaken.

The Board Office reported that the proposed residence system budget for 1988-89 appears to be based on reasonable projections of revenues and expenditures. However, enrollment declines and corresponding occupancy declines coupled with the need for improvements and repairs to the residence system facilities create future funding uncertainty.

Vice President Follon stated Michelle Wubben, student representative, asked that she relate to the Board the students' support. The students base their support on the fact that so many of the students are employed in the residence system. The students feel the increases are minimal in terms of benefits to students.

MOTION:

Regent Williams moved to (1) approve the proposed rate schedule for residence halls contracts effective with the fall semester, 1988; (2) approve the proposed rate schedule for apartment housing contracts effective July 1, 1988; and (3) accept the preliminary residence system budget for 1988-89, subject to further review and action when university operating budgets are approved for 1988-89. Regent Tyler seconded the motion.

Regent Tyler asked if university officials had given any thought to the implications of the proposed increase in minimum wage and how it would affect student employment and the residence system budgets.

Vice President Follon stated University of Northern Iowa officials had considered that. When the proposed residence system rates were put together it was with the knowledge that a large majority of the increase will go to salaries for students.

Vice President Madden stated that at Iowa State University \$4.05 per hour is currently the lowest student hourly wage.

Associate Vice President Small stated the situation at the University of Iowa is much the same. They currently pay students more than the federal minimum wage; therefore, they don't anticipate it will impact the university in the coming year.

VOTE ON THE MOTION:

The motion carried unanimously.

LEASE: TOWER SPACE AT ROCK ISLAND, ILLINOIS, FOR FM TRANSLATOR. The Board Office recommended that the Board approve a lease with CORONET COMMUNICATIONS COMPANY for the university's use of space on the company's communications tower at 231--18th Street, Rock Island, Illinois, at a rent of \$240 per month for five years commencing January 1, 1988.

The university previously was not charged rent for space on this tower for transmitter facilities for the translator station serving Davenport as a part of KUNI-FM. New owners of the tower require \$240 per month rent for the tower space effective January 1, 1988, for a period of five years with automatic annual renewal after the initial period unless either party gives

120 days written notice. This rent is the same per foot of tower height as the university pays for the Dubuque translator.

Funds are available from the general fund account for property rental.

MOTION:

Regent Williams moved to approve a lease with CORONET COMMUNICATIONS COMPANY for the university's use of space on the company's communications tower at 231--18th Street, Rock Island, Illinois, at a rent of \$240 per month for five years commencing January 1, 1988. Regent Fitzgibbon seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: Duchen, Pomerantz.

EASEMENT AGREEMENT: GOLD FALLS VILLA APARTMENTS. The Board Office recommended the Board approve the proposed easement between the State Board of Regents and Gold Falls Villa Apartments, Robert W. Butschi, Owner, for the purpose of allowing maintenance of underground electric and telephone lines, subject to the university explaining the consideration offered by the Grantee.

The University of Northern Iowa requested approval of an easement with Robert W. Butschi as owner of the Gold Falls Villa Apartments to allow maintenance of underground electric and telephone lines. The easement provides that all costs of maintenance, any damages that might be done to the university property in the process of maintenance, and normal liability associated with damages arising from maintenance of the electric and telephone lines are the responsibility of the Grantee, Robert W. Butschi.

The easement will result in no cost to the University of Northern Iowa. Executive Council action will be requested.

Vice President Conner stated a question had been raised concerning the language in the easement under the paragraph "consideration" that stated "The consideration for this grant is the sum of \$1 and other valuable consideration." He said that other consideration is continuation of the good neighbor policy.

MOTION:

Regent Greig moved to approve the proposed easement between the State Board of Regents and Gold Falls Villa Apartments, Robert W. Butschi, Owner, for the purpose of allowing maintenance of underground electric and

telephone lines. Regent VanGilst seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: Duchen, Pomerantz.

SALE OF ACADEMIC BUILDING REVENUE BONDS, SERIES UNI 1988. The Board Office recommended the Board (1) Adopt "A Resolution providing for the sale and award of \$8,200,000 Academic Building Revenue Bonds, Series U.N.I. 1988, 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 \$8,200,000 Academic Building Revenue Bonds, Series U.N.I. 1988, for the purpose of defraying a portion of the cost of constructing, improving and equipping a classroom and office building to be located on the campus of University of Northern Iowa and remodeling and renovating Latham Hall located on the campus of University of Northern Iowa."

Acting President Harris asked the financial advisor, Springsted, Inc., to read the bids received, publicly announce the best bid and make its recommendation to the Board on acceptance of the bids.

Mr. Luther Anderson stated the bids were received at 11:30 a.m. that day. He said the most notable development was that three separate bids were received for this bond sale. The three bids were as follows:

Merrill Lynch Capital Markets bid an interest cost of \$10,146,122.38 and a net effective rate of 7.0532 percent.

Dain Bosworth, Inc. bid an interest cost of \$10,262,878.13 and a net effective rate of 7.13443 percent.

John Nuveen & Co., Inc. an interest cost of \$10,139,121.88 and a net effective rate of 7.0483 percent.

Mr. Anderson stated the bid of the John Nuveen firm was the lowest of the three bids and that it was an excellent rate. He said he was very pleased to recommend the Board accept the bid of John Nuveen.

Regent Harris asked whether there were any Iowa companies associated with the low bid. Mr. Anderson responded that there were at least three: Securities Corp., Norwest Investment Services and R. G. Dickinson and Company.

Regent Tyler asked how the rates compared with the rates of the last bond sale. Mr. Anderson responded that the bonds sold last month were considerably shorter in maturity. In November Iowa State University sold

\$14 million of Recreation/Athletic Facility Revenue Bonds, which are closer in maturity to these bonds, at a net effective rate of 7.14 percent.

MOTION:

Regent Duchen moved to adopt "A Resolution providing for the sale and award of \$8,200,000 Academic Building Revenue Bonds, Series U.N.I 1988, and approving and authorizing the agreement of such sale and award." Regent VanGilst seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: Pomerantz.

MOTION:

Regent Tyler moved to adopt "A Resolution authorizing and providing for the issuance and securing the payment of \$8,200,000 Academic Building Revenue bonds, Series U.N.I. 1988, for the purpose of defraying a portion of the cost of constructing, improving and equipping a classroom and office building to be located on the campus of University of Northern Iowa and remodeling and renovating Latham Hall located on the campus of University of Northern Iowa." Regent VanGilst seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: Pomerantz.

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

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

IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Thursday, March 24, 1988.

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

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

CONCEPTUAL APPROVAL OF INTERPRETER AGREEMENT. The Board Office recommended that the Board authorize Iowa School for the Deaf to negotiate with Area Education Agency 13 to develop an agreement by which Iowa School for the Deaf staff will serve as interpreters for students from the school who attend classes in the Lewis Central School District with Area Education Agency 13 paying the Iowa School for the Deaf the cost of providing the interpreter thereby relieving the Agency of the requirement to provide interpreters from its employees.

Area Education Agency 13 and Iowa School for the Deaf desire to enter negotiations to secure an agreement for the purpose of having Iowa School for the Deaf provide interpreters for their students who attend classes at Lewis Central School District.

The new agreement would replace the present arrangement whereby Area Education Agency 13 has interpreters on its staff for students from Iowa School for the Deaf when they attend classes at Lewis Central School District.

The new agreement is anticipated to include reimbursement to Iowa School for the Deaf from Area Education Agency 13 for the cost of providing the interpreters.

Iowa School for the Deaf believes this would provide their students with greater access to the interpreters and would provide the school with flexibility in changing the number of students involved in mainstreaming on short notice.

Any agreement reached for this purpose would be submitted to the Board for approval.

Superintendent Johnson stated the Area Education Agency was experiencing problems retaining qualified interpreters for Iowa School for the Deaf students taking classes at Lewis Central School District. The Area Education Agency requested Iowa School for the Deaf assume control of that. Superintendent Johnson noted there would be no cost to the school. The cost would be handled with flow through funds from the Department of Education.

MOTION:

Regent Williams moved to authorize Iowa School for the Deaf to negotiate with Area Education Agency 13 to develop an agreement by which Iowa School for the Deaf staff will serve as interpreters for students from the school who attend classes in the Lewis Central School District with Area Education Agency 13 paying the Iowa School for the Deaf the cost of providing the interpreter thereby relieving the Agency of the requirement to provide interpreters from its employees. Regent Fitzgibbon seconded the motion, and it carried unanimously.

Regent Williams stated she believed all the Board members realized the extraordinary effort Superintendent Johnson made on behalf of the students and that he serves Iowa School for the Deaf and the students well.

ACCEPTANCE OF ANNUAL REPORT. The Board Office recommended the Board receive the 1986-87 Annual Report of the Iowa School for the Deaf.

The 1986-87 report covers the last year of Dr. Giangreco's superintendency. The following summarizes the report :

Departmental Philosophies, Goals and Highlights. The same format is utilized by the majority of the 11 departments of the school in this section of the report. The format includes a statement of philosophy and goals for the unit followed by a brief narrative on activities and several pages of photos illustrating the activities which accomplished the goals. The exceptions to this format include the Athletic Department, which provides a summary of extracurricular activities in each sport offered (no mention is made of intramural athletics) and several pages of photos; and the Curriculum Department, which simply lists four goals. The Educational Computing Department added to the basic format with a summary of strengths and areas for improvement and the Residential Living Program provided future goals.

Business Office/Personnel Functions. This section includes unaudited financial summaries, as well as a description of the functions of the Business Office, a report on the Early Retirement Incentive Program, and photos of staff retirees during 1986-87.

Academic Staff. The report on academic staff provides a faculty profile and educational information on the 75 persons who comprise the staff. The average age of the faculty is 42 and the average number of years of teaching experience at Iowa School for the Deaf is 13.5. Eight of the faculty are hearing impaired; one person is visually impaired. Over half (41) of the faculty have master's degrees or above, an additional 28 have bachelor's degrees or above. One of the academic staff does not have a degree.

This section also contains tables comparing salaries for teachers at midwestern schools for the deaf and at local schools. Salaries for Iowa School for the Deaf teachers are indicated as below average in all categories.

A report is included on the 1986-87 faculty development program, which was devoted to the topic of delivery of language instruction to hearing impaired students. A symposium and 8 inservice programs were scheduled in response to local and national concerns about English language programming.

The conclusion of this section provides information about Iowa School for the Deaf faculty who received awards and a list of extracurricular activities in which faculty participated. Of special interest is the story on the teacher who was selected by the University of Iowa as one of the six recipients of the 1987 Iowa Distinguished Teachers Award.

Graduating Class of 1987 and Honors Day Recipients. These two sections list the plans of the 18 senior class members following graduation and the names of students who received honors. Ten of the seniors plan to attend postsecondary institutions--6 will attend Gallaudet University; 1 will attend either Gallaudet or NTID; 2 will go to Iowa Western Community College; and 1 will enter the Technical Vocational Institute in Minnesota.

Community Involvement and Happenings Around Campus. These sections contain photos and narrative about school participation in community events, such as RAGBRAI 1986 (which began at the school) and the 1987 Health Fair of the Midlands, as well as selected internal events, such as the Artist in Residence Program and the Very Special Arts Festival.

Concerns. The report identifies five concerns:

Reduction in staff - The report indicates that although class sizes are small, the increased numbers of students entering Iowa School for the Deaf with multi-handicaps and emotional and academic problems make staff reduction difficult.

Better trained staff for the dormitories - At some future date, Iowa School for the Deaf may be required to hire trained teachers to work in the dorms, which will increase costs. A few states already have this requirement.

Hiring of houseparents/staff - The law, which does not permit the school to obtain background checks from state and federal bureaus on persons considered for employment, makes adequate screening difficult. According to the report, the law should be changed.

Remodeling of the dormitories - Dormitories need to be remodeled so that students have a comfortable, home-like environment in which to live.

Regional school concept - According to the report, combining the residential school populations of neighboring states into a regional school located at Iowa School for the Deaf would not only be economical but would result in better programs because of the larger student body.

Many of the concerns noted above were being addressed by Superintendent Johnson.

A Farewell. The final section is dedicated to Drs. C. Joseph and Marianne Giangreco, who retired at the end of the school year.

Conclusion:

Iowa School for the Deaf has provided a comprehensive record of activities during the year and has illustrated outcomes with some narrative and many photographs. In the departmental reviews, only two units identify concerns: the Educational Computing Department has listed areas targeted for improvement and the Residential Living Program has set forth long- and short-range goals to upgrade the program. The issues and concerns provided in the section devoted to this topic are more general in nature; however, the report does indicate that "serious consideration" should be given to remodeling the dorms in Giangreco Hall and that Iowa should become aggressive in supporting the regional school concept.

In regard to the concerns noted in the annual report, Mr. Richey stated the reorganization and academic program review will address many of those concerns. He said the next annual report will be one based upon the energy, philosophy and direction of Superintendent Johnson. The Board has asked that the concern regarding better-trained dormitory staff be given highest priority. However, he said they have been unable to do adequate background checks due to legal complications, and the legislature has declined to pass legislation to remedy this situation.

Regent Tyler asked whether the Board was aggressively pursuing a change in those laws. Mr. Richey stated it has not been an item on the Board's legislative agenda this year because of their total failure in the past to get any action on the item. He said the issue can be reviewed again in the development of the Board's legislative program next fall.

Acting President Harris suggested that before this legislative session ends the Board Office should emphasize to that group of leaders the problem the law has created for the Regents. He suggested referring legislators to the stories that have appeared in the newspapers which might give them a better understanding of the serious nature of the problem. Also, the Board should stress its position very early in the next legislative session.

ACTION: Acting President Harris stated the Board received the 1986-87 Annual Report of the Iowa School for the Deaf by general consent.

APPROVAL OF SUMMER PROGRAM. The Board Office recommended the Board approve the proposed summer program for the Iowa School for the Deaf.

In an effort to enhance interagency activities between the Iowa School for the Deaf and the local and area education agencies, the school proposed to initiate a one-week summer program in June 1988. The program would focus on three areas: Drivers Education, Introduction to Computer Utilization, and Recreational Activities.

Preliminary inquiries of the area education agencies and the LEA staff statewide have indicated that fifteen students are interested in this program. Iowa School for the Deaf has an estimated six additional students who are interested in the program. The school has set maximum enrollment at 24 students.

A tentative budget request shows an estimated cost of \$6,044. Staff already on the summer payroll will provide most instruction. The program will be funded through internal reallocation of resources.

The program has many positive aspects. The idea of a summer program has been a high priority with the Iowa Department of Education and with school officials around the state. Many students need to have continuous educational programs available in order to maintain satisfactory progress between grade levels. The program will also help establish the statewide resource role sought by the school.

The Board Office noted it is unfortunate that the proposal refers to this program as a "Summer Camp." This implies that it will be more of the "fun and games" variety than the serious opportunity it is to provide for educational advancement of the students. It was recommended that the program not be referred to as a "Summer Camp." The Iowa School for the Deaf should concentrate its activities on educationally-oriented activities.

MOTION: Regent Greig moved to approve the proposed summer program for the Iowa School for the Deaf. Regent Williams seconded the motion, and it carried unanimously.

APPROVAL OF DEAN OF BOYS POSITION. The Board Office recommended the Board approve establishment of the position of Dean of Boys in pay grade 4 (\$22,171-\$31,399) of the Professional-Scientific salary schedule effective July 1, 1988, as recommended by the school.

The position (class) of Dean of Boys was eliminated three years ago when a new position, Director of Student Life, was established. It was believed then that the Director of Student Life could function as Dean of Boys in addition to performing other duties. The school reported that this has not proven to be the case, and a temporary position has already been established and filled on authority given by the Board through it's executive secretary. With the approval for establishment of a permanent Dean of Boys position, the school will begin a search to fill the position.

The proposed position has duties and responsibilities similar to those of the existing position of Dean of Girls, and would be in the same pay grade.

MOTION: Regent Tyler moved to approve establishment of the position of Dean of Boys in pay grade 4 (\$22,171-\$31,399) effective July 1, 1988, as recommended by the school. Regent VanEkeren seconded the motion, and it carried unanimously.

REGISTER OF CAPITAL IMPROVEMENT TRANSACTIONS FOR THE MONTH OF FEBRUARY 1988.

Director True reminded Board members of the presentation Superintendent Johnson made at the December 1987 Board of Regents meeting concerning the need to remodel the boys' dormitory. Although bids were not received in time for inclusion on this month's docket, Director True highlighted Superintendent Johnson's request concerning the bids, as follows:

Superintendent Johnson strongly recommended they pursue work on all three floors of the dormitory. However, to make sure sufficient FY 1988 monies are available he suggested they immediately pursue the dry wall, painting and carpeting activities. Subsequently, they will pursue the furniture and draperies, once they are sure adequate funds are available.

It was further recommended that the low bid be taken for : 1) dry wall (\$5,370); 2) painting (\$17,850); 3) carpeting (\$17,619). Superintendent Johnson recommended that the low bid for draperies (\$15,978) and for the wood furniture (\$71,491.05) be accepted subject to further budget review by the superintendent and executive secretary.

Director True stated the school budgeted \$98,000 for this project. The school proposes \$38,000 to come from interest earnings on trust accounts with

the rest coming from the general budget. He said Superintendent Johnson requested the Board approve \$40,839 this month with further activity on the project to occur when the superintendent and executive secretary concur that adequate funding is available.

Mr. Richey noted that this remodeling program is a high priority due to the condition of the dorms.

MOTION: Regent Williams moved approval to proceed with the remodeling project as presented by the institution. Regent VanEkeren seconded the motion.

Regent VanGilst asked how many square feet were involved in this project. Mr. Kuehnhold responded that he believed it was around 150,000 square feet.

Regent Williams asked how close the bids came to the estimated cost. Superintendent Johnson responded that the bids were extremely close to the budget estimate.

Mr. Kuehnhold clarified that the project was actually closer to 25,000 total square feet.

Regent Fitzgibbon stated he was concerned that the project appeared to only cost \$2/square foot, which he said was too good to be true.

Superintendent Johnson stated there was no utility work involved. He said the minor utility work that may need done can be done by school personnel.

Mr. Kuehnhold stated the dry wall would only be applied to one wall. The other three walls will be painted.

Acting President Harris stated the Board's interest was to see that the work is done. He said it seemed as though school officials had made an awfully good deal, and he prayed that it was not too good to be true. He requested an update concerning the prices. The school was directed to get in touch with the Board Office to determine whether \$2/square foot is the actual cost for the remodeling project.

VOTE ON THE MOTION: The motion carried unanimously.

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

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Thursday, March 24, 1988.

RATIFICATION OF ACTIONS REPORTED IN THE REGISTER OF PERSONNEL CHANGES FOR JANUARY 24 TO FEBRUARY 20, 1988. The Board Office recommended that the Board approve the register for the period January 24 through February 20, 1988.

ACTION: Acting President Harris stated the Board approved the Register of Personnel Changes for the period January 24 to February 20, 1988, as a consent item.

SCHOOL CALENDAR 1988-1989. The Board Office recommended the Board approve the school calendar for the 1988-89 school year including a 1988 summer session.

State law requires common schools to meet for at least 180 student-teacher contact days and requires them not to begin before September 1. This law does not apply to the Board's special schools though the Board has in practice tried to meet these requirements.

The proposed calendar for 1988-89 contains 180 student-teacher contact days, nine additional days for teachers, and nineteen at-home weekends including Thanksgiving, Christmas, and Spring vacations. The school year begins on August 29, 1988, and ends on June 3, 1989.

The school will have 1988 summer sessions operating from July 10 until August 5.

The State Board of Education has approved rules which, beginning July 1, 1989, will require a common school to be in session for instructional purposes at least 5-1/2 hours per day to count the day toward the required 180 days. This requirement will have to be considered by the special schools in developing at-home weekends for 1989-90 and subsequent years.

MOTION: Regent Tyler moved to approve the school calendar for the 1988-89 school year including a 1988 summer session. Regent VanEkeren seconded the motion, and it carried unanimously.

RENEWAL OF COOPERATIVE SPONSORSHIP OF AN ACTIVITY: IOWA HIGH SCHOOL ATHLETIC ASSOCIATION AND VINTON COMMUNITY SCHOOLS. The Board Office recommended that the Board approve an agreement with the Vinton Community Schools by which

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selected Iowa Braille and Sight Saving School students participate in the athletic programs of the Vinton Community Schools.

There are certain athletic programs in which Iowa Braille and Sight Saving School is unable to field teams because of its size and the limitations of students at the school. Some of the students are able to participate in varsity sports if a team is available. The Department of Public Instruction and the Iowa High School Athletic Association provide for schools to join together to offer a single athletic program. Iowa Braille has participated with Vinton Community Schools in such a joint effort in the past and wishes to continue such an arrangement for the 1988-89 school year. The Board was asked to approve an agreement with the Vinton Community Schools so that selected Iowa Braille students can participate in Vinton's programs in football, wrestling, swimming and track and field.

The agreement provides for selected Iowa Braille and Sight Savings School students to participate in Vinton Community Schools' programs in football, wrestling, swimming, and track and field. This does not prevent the school from participating in a limited fashion in certain of these sports in competition with other schools for visually impaired students. This agreement should be submitted by the school to the Iowa Code Chapter 28B filing process.

MOTION:

Regent Williams moved to approve an agreement with the Vinton Community Schools by which selected Iowa Braille and Sight Saving School students participate in the athletic programs of the Vinton Community Schools. Regent Greig seconded the motion, and it carried unanimously.

ADMINISTRATIVE RESTRUCTURING. The Board Office recommended that the Board (1) approve the change in structure of the administration requested by the Superintendent, as outlined below and in the institution's exhibit; (2) approve new position descriptions and pay grade assignments associated with the reorganization; (3) authorize the executive secretary to approve a final position description and pay grade assignment for the superintendent's administrative assistant, consistent with the discussion below; and (4) approve tentatively a new program which expands the focus of the school in the area of outreach.

Presently there are five operating units in the school reporting to the superintendent. Following the proposed reorganization there will be four operating units.

The new organization will represent an expansion of the mission of the school. Presently students come to the school either for the residential program as a near permanent placement or for a temporary placement to learn

specific skills before returning to the local school district. In the new organization the school will be sending professionals to local school districts to help identify visually-impaired students and to help establish programs for them in the local school. This outreach program may also identify new students for Iowa Braille.

The reorganization will result in a modest saving of almost \$3,000.

The Superintendent's office will have an administrative assistant and assistant secretary. The person filling the new administrative assistant position will be the current secretary IV serving the superintendent. The assistant secretary to the superintendent is a position shared with residential services.

A position of Coordinator for School/Community Relations is created to provide information about school services to blind students and the public, to coordinate special state and federal funds and solicit grants, to develop proposals for the use of endowment funds, and to serve as the Student Ombudsman.

The Director of Administrative Services will be responsible for many of the functions from the former Business Affairs and Personnel units. This part of the reorganization was approved by the Board in September 1987.

The Director of Education will continue essentially the same functions as the former education unit.

The Director of Residential Services will do many of the functions of the former Student/Home Services unit and will be newly responsible for food service, laundry, and custodial functions.

There will also be a new Assistant Director of Residential Services/ Recreation Therapist assisting in the supervision of the food services, custodians, and laundry services. This position will also be responsible for the recreation program after school and on weekends.

The Director of Outreach Service will do the functions of the present Resource Services Department including the development of educational materials for visually impaired persons not at the school, and will include two new positions, Educational Consultant and Educational Diagnostician.

The position of Liaison Teacher will be eliminated with essential duties of the position included in the position of Director of Outreach Services. A food service worker will be eliminated as a result of the discontinuation of lunch for children at the Happy Time Child Care Center, a lessee of the school's. A secretarial position will be eliminated with the duties divided between the assistant secretary to the superintendent and the secretary in

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the Residential Services Department. Two part-time laundry workers will be eliminated.

Position descriptions for newly-created positions have either been point-counted and assigned to appropriate pay grades or will be within the next few weeks.

The proposed reorganization begins to implement the school's draft mission statement which provides equal standing for outreach activities with the residential program.

Superintendent Thurman noted the changes in personnel are minimal although there are some lay offs.

Regent VanGilst asked whether outreach would be provided to all the area education agencies throughout the state. Superintendent Thurman responded that it would.

Regent VanGilst stated Superintendent Thurman should be commended for that effort. He said that had been one of his goals and would be a tremendous service for the state of Iowa.

Superintendent Thurman stated school officials saw it as being a major growth area and one very much needed for blind children in the state.

Acting President Harris informed Superintendent Thurman that Regent VanGilst spoke for all the Regents when he commended him.

Acting President Harris asked what additional training the diagnostician has beyond that of other staff.

Superintendent Thurman responded that there are no programs that prepare persons as diagnosticians for the visually impaired. He said they would be looking for someone with a minimum of a Master's degree, and experience not only in residential schools but in public schools, as well. Additionally, the individual would know the developmental steps in a blind child's life and understand the needs of visually-impaired children. He said the best education is good practical experience.

MOTION: Regent Williams moved to (1) approve the change in structure of the administration requested by the Superintendent, as presented; (2) approve new position descriptions and pay grade assignments associated with the reorganization; (3) authorize the executive secretary to approve a final position description and pay grade assignment for the superintendent's

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administrative assistant, consistent with discussion; and (4) approve tentatively a new program which expands the focus of the school in the area of outreach. Regent Fitzgibbon seconded the motion, and it carried unanimously.

1988-89 CHAPTER I GRANT APPLICATION. The Board Office recommended the Board authorize the fiscal year 1989 Chapter I grant application to include an educational consultant position for the outreach program.

The Iowa Braille and Sight Saving School proposed to submit a grant application for fiscal year 1989 to include a new educational consultant position for the school's outreach program. This position was included in the administrative restructuring proposal before the Board for action this month. The outreach service function is also incorporated in the school's proposed mission statement currently under consideration.

The educational consultant duties would include providing direct consultation and material resources for school-age (5 to 21 years) visually-impaired students, their parents, and their teachers. Other duties would be to serve as a member of the evaluation team for visually-impaired students and coordinate fall and spring low vision clinics. The position would maintain the Low Vision Aid Loan Library and provide training and in-service activities for parents and other professionals. The position would coordinate the admission of students placed at Iowa Braille and Sight Saving School, as well as offer transition and follow-up services for students returning to their local school district.

MOTION:

Regent Fitzgibbon moved to authorize the fiscal year 1989 Chapter I grant application to include an educational consultant position for the outreach program. Regent Williams seconded the motion, and it carried unanimously.

COOPERATIVE EFFORT IN TEACHER OF THE VISUALLY IMPAIRED CERTIFICATION WITH ILLINOIS STATE UNIVERSITY - SUMMER 1988 ONLY. The Board Office recommended the Board (1) Approve the temporary cooperative effort between Iowa Braille and Sight Saving School and Illinois State University to provide courses for certification as a Teacher of the Visually Impaired during the summer of 1988 and (2) Authorize the Executive Secretary to approve and sign a contract for this purpose.

The Iowa Braille and Sight Saving School indicated to the Board of Regents in its annual report the need for in-service and pre-service courses for teachers of the visually impaired. As a temporary action to provide certification for Iowa Braille and Sight Saving School staff and other Iowa

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educational personnel serving the visually impaired, the Iowa Braille and Sight Saving School proposed to offer three courses this summer in cooperation with Illinois State University. Under the proposed cooperative agreement, the Iowa Braille and Sight Saving School will provide facilities, handle registration, provide two instructors and may need to guarantee a certain amount of money to Illinois State University. In return, Illinois State University will provide an instructor of record (will not actually be teaching the courses), provide academic credit to students successfully completing the course, and will approve the curriculum being taught.

For each course, the Iowa Braille & Sight Saving School will pay Illinois State University \$2,310 consisting of the following:

A. Stipend for instructor	\$1200.00
B. Mileage	575.00
C. Meal Allowance	125.00
D. Lodging	200.00
SUBTOTAL	<u>\$2,100.00</u>
E. 10% University Service Charge	\$210.00
SUBTOTAL	<u>\$210.00</u>
TOTAL	<u>\$2,310.00</u>

Iowa Braille & Sight Saving School will receive \$300.00 per course as a sponsorship charge.

The travel and lodging expenses (i.e., A, B, C, & D above) will be for the instructor of record to visit the program several times during the course of the summer. The 10 percent university service charge will cover expenses for recording grades, etc., and the Iowa Braille and Sight Saving School sponsorship charge will provide a fund for the use by the instructors to buy supplies for various activities during the coming year. This \$300 expense allowance per course is in lieu of any kind of payment to the Iowa Braille and Sight Saving School staff instructors who are Iowa Braille and Sight Saving School employees temporarily assigned to teach these courses. Iowa law prohibits them from receiving two salaries.

The primary advantage to the Iowa Braille and Sight Saving School will be the provision of academic credit and subsequent certification for as many as 10 staff at the school. The effort will also enhance the school's role as a statewide resource for the visually impaired. Each Iowa Braille and Sight Saving School faculty member taking these courses will need to pay the

established tuition charge unless the school decides to cover part or all of this tuition charge (the latter is under consideration). The courses will also provide a convenient place for faculty to take required coursework as these courses are not offered in Iowa.

It was recommended that this arrangement be approved on a temporary basis and for summer 1988 only. A study by the interinstitutional committee regarding the need for such courses and the possibility that one of the Regent institutions may wish to take over this activity is currently underway.

Superintendent Thurman stated the school's annual report addressed four major issues affecting the Board, of which the school has addressed two. The third issue was lack of properly-trained people in the field. The Board had asked that it be referred back to the interinstitutional committee. They have had the opportunity to discuss some of the issues. After some initial discussion the school proposed this temporary arrangement to do some certification work this summer. Superintendent Thurman emphasized that school officials have no desire to become a teacher training institute or to direct teacher training, and added that they do have certain knowledge and expertise. He said four area education agencies within the state have no properly-trained personnel to work with the visually impaired.

Director Barak stated the advisory committee discussion took place the day before the Board meeting. As a result of that discussion the committee recommended a slight change in the language of the seconded recommended action:

... and (2) Authorize the Executive Secretary to approve and sign a contract for this purpose "that would incorporate changes recommended by the advisory committee".

Dr. Koenig stated the need for teacher training in this area is a critical one in the state of Iowa. He cautioned that they can't continue to go out of state to train their teachers, and they need to be self supporting.

MOTION:

Regent VanGilst moved to (1) Approve the temporary cooperative effort between Iowa Braille and Sight Saving School and Illinois State University to provide courses for certification as a Teacher of the Visually Impaired during the summer of 1988 and (2) Authorize the Executive Secretary to approve and sign a contract for this purpose that would incorporate changes recommended by the advisory committee. Regent Williams seconded the motion, and it carried unanimously.

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REGISTER OF CAPITAL IMPROVEMENTS BUSINESS TRANSACTIONS - NONE. The Board Office reported the capital register contained no transactions for the month.

DONATION OF FOURTEEN GRAVE SITES. The Board Office recommended the Board authorize the transfer of title of 14 burial plots to Benton County, subject to Executive Council approval.

The school requested permission to transfer the title to 14 burial plots at Evergreen Cemetery, Vinton, Iowa, to Benton County for the burial of indigent citizens, as needed. The school originally acquired 18 burial plots during the nineteenth century. Four of the 18 sites are occupied with the last burial being in 1918.

The school pays an annual upkeep of \$24 to maintain the unused burial plots. The school has no anticipated use of the plots and the plots could be used by the county for those who could not afford to purchase one. The value of the plots is minimal.

Superintendent Thurman stated school officials have identified two of the four people buried there. The other two graves are unmarked. He added that it would be nice if they could identify the two that are unknown and mark them.

MOTION:

Regent Williams moved to authorize the title of transfer of 14 burial plots to Benton County, subject to Executive Council approval. Regent Greig seconded the motion, and upon the roll being called, the following voted:

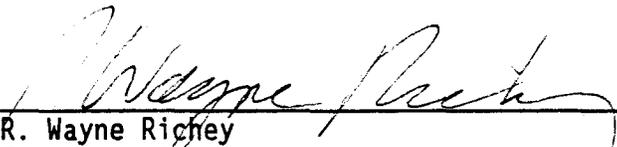
AYE: Fitzgibbon, Greig, Harris, Tyler, VanEkeren, VanGilst, Williams.

NAY: None.

ABSENT: Duchen, Pomerantz.

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

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 11:00 a.m., on Thursday, March 24, 1988.



R. Wayne Richey
Executive Secretary