

The State Board of Regents met on Wednesday, May 24, 1989, at the Best Western Country Squire, Atlantic, Iowa. The following were in attendance:

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Members of State Board of Regents

Mr. Pomerantz, President	Excused
Mr. Berenstein	All sessions
Mr. Fitzgibbon	All sessions
Ms. Furgerson	All sessions
Mr. Greig	All sessions
Ms. Hatch	All sessions
Mr. Tyler	All sessions
Ms. Westenfield	All sessions
Mrs. Williams	All sessions

Office of the State Board of Regents

Executive Director Richey	All sessions
Director Barak	All sessions
Director Carter	All sessions
Director Eisenhower	All sessions
Director Volm	All sessions
Director Wright	All sessions
Associate Director Kading	All sessions
Assistant Director Peters	All sessions
Minutes Secretary Briggie	All sessions

State University of Iowa

President Rawlings	All sessions
Vice President Phillips	All sessions
Vice President Vernon	All sessions
Treasurer True	All sessions
Associate Vice President Small	All sessions
Assistant to President Mears	All sessions
Director Grady	All sessions

Iowa State University

President Eaton	All sessions
Exec. Vice President McCandless	All sessions
Provost Glick	All sessions
Vice President Madden	All sessions
Treasurer Thompson	All sessions
Assistant to President Bradley	All sessions
Assistant Vice President Pickett	All sessions

University of Northern Iowa

President Curris	All sessions
Vice President Martin	All sessions
Vice President Conner	All sessions
Vice President Follon	All sessions
Director Chilcott	All sessions

Iowa School for the Deaf

Superintendent Johnson	All sessions
Business Manager Ahrens	All sessions

Iowa Braille and Sight Saving School

Acting Superintendent Terzieff	All sessions
Director Hauser	All sessions

## GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday, May 24, 1989.

Chairman Tyler welcomed everyone to Atlantic. He said that President Pomerantz was recovering from surgery, was doing extremely well but could not attend this meeting. He asked Regent Tyler to chair the meeting.

### APPROVAL OF MINUTES OF BOARD MEETINGS, APRIL 12 AND MAY 10, 1989.

Chairman Tyler asked for corrections, if any, to the Minutes.

**ACTION:** Chairman Tyler stated the Minutes of the April 12 and May 10, 1989, meetings were approved by general consent.

**ACCREDITATION REPORTS - IOWA STATE UNIVERSITY.** The Board Office recommended the Board receive the reports on accreditation at Iowa State University.

Iowa State University officials submitted two accreditation reports -- one from the Committee for Accreditation of the American Home Economics Association and one from the American Veterinary Medical Association Council on Education.

The following is a summary of the accreditation information on these two programs.

#### Committee for Accreditation of the American Home Economics Association

In April, Iowa State University officials were notified by the Committee for Accreditation of the American Home Economics Association that accreditation had been granted to the College of Family and Consumer Sciences at Iowa State University for a period of ten years. The Council commended the unit and faculty for high quality of home economics programs and noted the following strengths of the program:

1. The organization of the unit allows it to function well and serves the programmatic offerings effectively,

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2. The strong leadership of the dean and other administrators has created open channels of communication to enhance programs within the unit and the status of the unit on campus,
3. Faculty have appropriate expertise and experience for their assignments,
4. Recent levels of the faculty productivity in publications and grants are excellent,
5. Students have access to outstanding faculty and staff advisement and counseling for registration and placement, and
6. Students have appropriate input into decision-making processes.

To assist in the further development of the program in the unit, the Council recommended the following to improve compliance with accreditation criteria:

1. Faculty and administrators need to prioritize goals in a systematic manner in which the source of resources for implementation is identified and time lines are established.
2. Faculty and administrators need to assess technological and secretarial staff required to meet present and future instructional and research programs, and identify strategies to respond to programmatic requirements.
3. Faculty and administrators need to review present committee structure and assignments, working toward reducing faculty's time spent in committee work.
4. Faculty and administrators need to conduct national searches for future vacancies, seeking people with credentials that will add to the diversity of the present faculty.
5. Faculty and administrators need to be assertive in assuring that library, instructional resources, and technological services are assured of funding, despite decreases in state support.
6. Faculty and administrators need to continue aggressive searches for funds to renovate laboratories and acquire equipment to meet contemporary instructional and research efforts.
7. Faculty and administrators need to consider creation of larger classrooms as renovation occurs.

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### American Veterinary Medical Association

Iowa State University officials were notified in May that the American Veterinary Medical Association Council on Education had voted to continue the college's present status of "full accreditation". This accreditation was granted for an additional four years through 1992.

In its report the American Veterinary Medical Association noted that the College of Veterinary Medicine met the Association's essential criteria in the areas of organization, financing, physical facilities and equipment, clinical resources, learning and library resources, enrollment, admissions procedures, faculty and curriculum, and made the following recommendations with respect to some of the criteria:

Finances -- Financial resources be substantially increased.

Physical Facilities -- A plan for funding maintenance and replacement of existing and acquisition of needed new equipment be developed and implemented.

Faculty -- More faculty be encouraged to participate in the faculty improvement leave program.

Curriculum -- Increase emphasis on teaching problem-solving skills, procedures for handling student evaluation of course and faculty teaching be modified to ensure student confidentiality, and review procedures to ensure that course leaders in faculty seriously consider student evaluations.

Iowa State University officials were congratulated for having achieved these two accreditation reports. Complete copies of materials on the accreditations are available in the Board Office.

Provost Glick stated that because of the decision of the Board last year to reduce the class size, university officials were able to receive this accreditation. Last year the class size was 120 and this year it was reduced to 76. With a class size of 76 the ratio of faculty to students meets the test of the veterinary accreditors. He added that the accreditation was for four instead of seven years because of financial resources.

Regent Fitzgibbon asked if later this fall university officials will have recommendations concerning the Veterinary Medicine School. Provost Glick said that was correct. He noted that later in the meeting university officials would be announcing the appointment of the new Dean of the College of Veterinary Medicine.

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**ACTION:** Chairman Tyler stated the Board received the reports on accreditation at Iowa State University by general consent.

**REPORT OF THE IOWA COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION.** The Board Office recommended the Board receive the report of the May meeting of the Iowa Coordinating Council for Post-High School Education.

The Council held its last meeting of the year at Iowa Central Community College in Fort Dodge. Regent Williams was elected Vice Chair for 1989-90. Reports were received on enrollment projections and on a national task force on science and math. Iowa Coordinating Council members also reviewed proposed new programs.

Regent Williams stated that the Council members had quite a bit of discussion about enrollment analysis projections. She said many members found it frustrating that upon receiving enrollment projection information some persons immediately react to some of the factors as if they were the reality rather than projections. It is very difficult to have accurate enrollment projections.

Chairman Tyler congratulated Regent Williams on being elected Vice Chair.

President Rawlings cautioned that the projections can be terribly misleading.

Regent Greig stated that projections don't show the philosophy of the Regents. He said that even though the number of high school graduates is decreasing, with the universities' recruiting efforts he felt the Regents institutional enrollments will stay the same or increase which was not shown in the projections.

Chairman Tyler thanked President Rawlings for taking the time to attend the Coordinating Council meeting.

**ACTION:** Chairman Tyler stated the Board received the report of the May meeting of the Iowa Coordinating Council for Post-High School Education by general consent.

**REPORT OF THE INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION.** (a) Change Name of School of Business to College of Business Administration - University of Northern Iowa. The Board Office recommended the Board approve of the change of name of the School of Business to the College of Business Administration at the University of Northern Iowa.

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University of Northern Iowa officials requested the change of name of the School of Business to the College of Business Administration.

When the School of Business was originally established as a "collegiate" unit, there was a preference on the part of faculty and administration for the term "School" rather than "College." This designation has caused some minor confusion because of the existence of a School of Music within the College of Humanities and Fine Arts and a School of Health, Physical Education and Recreation within the College of Education. The Business School is an independent unit.

The Interinstitutional Committee and the Board Office recommended approval of the proposed change in name.

MOTION: Regent Fitzgibbon moved to approve of the change of name of the School of Business to the College of Business Administration at the University of Northern Iowa. Regent Hatch seconded the motion, and it carried unanimously.

(b) Consideration of Occupational Therapy Program at University of Iowa. The Board Office recommended the Board approve of the University of Iowa decision not to establish a program in Occupational Therapy.

There is a need in the state for a program to prepare Occupational Therapists. University of Iowa officials have explored the possibility of establishing an Occupational Therapy program and concluded that it might serve the same purposes as a new program at St. Ambrose University.

University officials concluded they should not establish a program in Occupational Therapy at this time.

Vice President Vernon stated that an earlier report, issued in September, indicated there is a need for a program to train occupational therapists. Both the program envisioned for the University of Iowa and the program being established at St. Ambrose would prepare people for careers as occupational therapists.

Regent Williams asked if St. Ambrose officials have started accepting students into their program. Vice President Vernon responded that this fall they will admit their first class.

Regent Williams asked if students will be admitted as freshmen. Vice President Vernon said they would. He added that the cost for personnel within the occupational therapist field is rather high. In order to establish a program at the University of Iowa, university officials would have to hire

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another faculty member in an allied area in order to offer enough courses. The cost is high to establish this program considering the anticipated class size of 16 students. University of Iowa officials wish to take a "wait and see" attitude.

Regent Williams asked if the higher tuition cost at St. Ambrose versus the University of Iowa tuition cost might adversely impact anticipated enrollments at St. Ambrose. Vice President Vernon said that could be a factor. He noted that the program envisioned for the University of Iowa would be for people who already had earned their Bachelor's degree.

Regent Fitzgibbon stated that if there is going to be a program it should be a quality program. He questioned whether St. Ambrose officials are capable of producing a quality program. He also questioned how long University of Iowa officials would "wait and see". Vice President Vernon said it would probably be 3 to 4 years.

Regent Fitzgibbon felt 3 to 4 years was a long time. He questioned whether there would be an analysis and/or "check points" on the progress of the St. Ambrose program. Vice President Vernon suggested University of Iowa officials could ask to meet with St. Ambrose officials next spring. He noted that St. Ambrose officials have been quite cooperative and asked that University of Iowa officials "give them a shot at it".

Regent Fitzgibbon felt there should be a report back to the Board of Regents. Vice President Vernon said they could report next fall. Regent Fitzgibbon clarified that would be September 1990. Chairman Tyler asked if University of Iowa officials would have any problem complying with Regent Fitzgibbon's request. Vice President Vernon asked that Mr. Richey put it on the calendar.

Regent Williams stated that she has been heavily lobbied by the occupational therapy association to start a program at the University of Iowa or at St. Ambrose in Davenport. She said it will be a very low enrollment program wherever it is established and, therefore, will be a very high cost program. She was fairly optimistic that St. Ambrose officials could accomplish the establishment of the program.

Regent Greig said the question of a quality program is important but that he was glad to see university officials cooperating in an effort to avoid unnecessary duplication.

**ACTION:**

Chairman Tyler stated the Board approved of the University of Iowa decision not to establish a program in Occupational Therapy by general consent.

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

The Iowa College Aid Commission met on May 9 to conduct its normal monthly business. The Commission received presentations from advertising/marketing firms in response to the Commission's request for assistance in marketing and communications. The firm currently utilized by the Commission, Flynn/Wright, Inc., was among the presenters. The Commission will make the selection after staff has evaluated the proposals.

The Commission received notification that the North Central Association of Colleges and Schools (NCA) awarded the Spencer School of Business the status of candidacy accreditation. An achievement of this status allows the Spencer School of Business to participate in the Iowa Tuition Grant Program. It was also reported to the Commission that the Institute of Commerce, Hamilton Business College and Faith Baptist College are pursuing accreditation by North Central.

The Iowa College Aid Commission is currently involved in litigation in opposition to the attempt of the Federal Department of Education to reduce the Commission's loan reserve by withholding reinsurance and administrative payments. Similar litigation is in progress involving other states and the Federal Government.

The Iowa College Aid Commission had \$901,035,123 in outstanding loans at the end of March 1989.

**ACTION:** Chairman Tyler stated the report was received as a consent item.

**REPORT ON LEGISLATIVE ACTIVITIES.** The Board Office recommended the Board receive the report on legislative activities.

#### Operating Budget Appropriations (HF 774)

The Legislature appropriated \$463.6 million, a 10 percent increase in House File 774. This increase of \$42 million is approximately \$500,000 more than recommended by the Governor in January. Of the \$42 million increase, \$28.3 million is to fund salary and health insurance increases, including the final year of the 3-year double-digit faculty salary agreement. Much of the remaining \$14 million increase is earmarked for specific purposes. A total of \$1.7 million is dedicated for undergraduate education, \$1.0 million for minority recruitment programs and \$1.05 million for library automation. These figures include operating and tuition replacement appropriations.

While the increases average 10 percent above the current year appropriation level, the percentage varies by institution. They range from 6.3 percent at

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the Board Office to 10.8 percent at the University of Northern Iowa. The dollar and percentage increases for each institution are \$19 million (9.8 percent) at the University of Iowa, \$14.6 million (9.5 percent) at Iowa State University, \$5.5 million (11.4 percent) at the University of Northern Iowa, \$544,000 (10.5 percent) at the Iowa School for the Deaf, \$300,000 (10.4 percent) at the Iowa Braille and Sight Saving School and \$66,000 (6.3 percent) at the Board Office.

#### Regent Capital Appropriations

House File 799 was the very last bill considered by the General Assembly before adjournment.

The projects listed below have been sent to the Governor for his consideration. He may veto any or all projects. Language in the bill then permits the Governor to select the projects to be funded by unappropriated general funds if the Governor determines there is a sufficient balance in the state treasury. The rest of the projects will be funded through Academic Building Revenue bonds issued by the Board. All projects remaining on the list after the Governor signs the bill will be funded either from state general funds or from bonding.

SUI Undergraduate Education Building	\$ 1.0 million
SUI Pharmacy planning, construction, equipment	\$11.2 million
SUI McLean remodeling	\$ 1.0 million
ISU Gilman remodeling and equipment	\$ 7.04 million
ISU Agronomy equipment	\$ 1.0 million
ISU Livestock Units	\$ 2.0 million
UNI Library addition construction and equipment	\$ 7.0 million
UNI Wright Hall	\$ 2.7 million
UNI Business Building Equipment	<u>\$ 1.0 million</u>
TOTAL	\$33.94 million

This bill also appropriates \$25,000 to the Iowa School for the Deaf for asbestos abatement.

Senate File 363 was a fiscal year 1989 supplemental bill which expended unanticipated revenue increases for capital projects. As approved by the legislature, the bill includes \$50 million of capital appropriations for various state agencies including \$5.65 million for the Board of Regents. Governor Branstad vetoed \$20.5 million of the bill's projects.

Of the \$5.65 million in the bill for the Board of Regents, the Governor vetoed \$3.3 million. The items approved were completion of the boiler at the University of Northern Iowa for \$1.1 million and \$1.25 million for fire and environmental safety programs to be distributed \$500,000 each to the

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University of Iowa and Iowa State University, and \$250,000 to the University of Northern Iowa. The items vetoed were \$1 million for business school equipment at the University of Northern Iowa, \$25,000 to the Iowa School for the Deaf for asbestos removal, \$1.275 million for remodeling MacLean Hall at the University of Iowa, and \$1 million for Agronomy equipment at Iowa State University. All of the vetoed projects were later included in the fiscal year 1990 capital bill. The Governor's vetoes were prompted by his concern that the extra spending would leave an ending balance too low and would prevent activating indexing adjustment to the state income tax brackets.

### Lottery Appropriations

The following items were appropriated in House File 785 to the Board of Regents for fiscal year 1990 from Lottery proceeds.

#### Education and Agricultural Research and Development (EARDA):

##### Iowa State University

Agricultural Biotechnology	\$4,250,000	
Amorphous Semiconductor	500,000	
Livestock Technology Transfer	300,000	
Research Parks	250,000	
Technology Innovation Center	100,000	
Water Resource Research Center	150,000	
Technology Transfer Consortium	<u>100,000</u>	
Subtotal Iowa State University		\$5,650,000

##### University of Northern Iowa

Decision-Making Institute	\$ 500,000	
Economic Development Training Program	100,000	
Emerging Business Opportunities	100,000	
Technology Transfer Consortium	100,000	
Technology Innovation Center	<u>100,000</u>	
Subtotal University of Northern Iowa		\$ 900,000

##### University of Iowa

Technology Transfer Consortium	\$ 100,000	
Technology Innovation Center	100,000	
Research Park	<u>221,000</u>	
Subtotal University of Iowa		<u>\$ 421,000</u>

<u>Subtotal EARDA</u>		\$6,971,000
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Small Business Development Centers (ISU)		\$1,300,000
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TOTAL BOARD OF REGENTS		\$8,271,000
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The appropriations shown are prior to any possible veto decisions by the Governor. Since all available funds are appropriated, no competitive EARDA grants will be made in fiscal year 1990. In fact, the legislature has appropriated about \$3.1 million more than current projections of lottery revenue in fiscal year 1990.

#### Other Legislation

The bill providing for reporting and legislative review of capital projects did pass the legislature although as a newly-numbered bill with some changes. House File 400, which was discussed at previous Board meetings, was introduced as Senate File 546 in the final days of the session. While the basic thrust of the bill remained the same, some important aspects were altered. Most importantly, the threshold for a capital project falling under the provisions of the bill was increased from \$100,000 to \$250,000. Secondly, only capital projects involving state funds or authorized by the state will be covered.

Senate File 240 requiring the Board of Regents to begin paying the cost of tort claim awards is another bill discussed often at previous Board meetings. This bill failed to receive final legislative approval. The Board of Regents had opposed the legislation because no funds were provided and because the jurisdiction for litigation of the claims rests with the Attorney General rather than the Board of Regents.

The minority recruitment programs in House File 757 were incorporated into the education appropriation bill where \$1 million of funding is provided. The funds cover three separate programs. The Iowa Minority Academic Grants for Economic Success (IMAGES) program provides grants to minority students. An outreach program, entitled College Bound, is aimed at Iowa secondary school students. Funds are also included to provide enhancements for minority and women educators.

The Governor proposed establishment of a Science and Technology Foundation to advise on research and development trends and to approve state economic development research grants in future years. House File 686 was approved establishing the Wallace Technology Transfer Foundation similar to that proposed by the Governor. It is anticipated that beginning in fiscal year 1991 the Foundation Board will approve any state-funded competitive economic development research awards. The Board includes a member from each of the Regent universities' technology transfer consortia. An appropriation of \$250,000 is provided.

Also included in House File 686 is an international trade network called INTERNET which will provide long-range research and may provide grants and loans if funds are available. \$400,000 is appropriated to INTERNET. Representatives from each Regent university are also included on this Board of Directors.

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Associate Director Kading stated the Governor has until June 6 to act on the final bills. She said the budget was the major issue. The Regents received an approximate 10 percent increase in new funds. There were several other major pieces of legislation. The capital projects review bill passed although some changes were made. She said she was not sure how the Governor would respond to the bill.

Associate Director Kading acknowledged the Board of Regents' legislative liaisons. Pat Grady and Carol Bradley were present, and Pat Geadelmann was in Washington, D.C. Chairman Tyler asked Director Grady if he had anything to add to the legislative report.

Director Grady said there was another piece of legislation he wished to bring to the Board's attention. A bill was approved which creates a science and technology foundation, to be known as the Wallace Foundation, to pursue the transfer of technology from the research laboratory to commercialization. Hopefully, the foundation will eventually absorb the EARDA funds.

Chairman Tyler noted that Associate Director Kading will be leaving the Board Office on June 8 to attend Drake Law School full time, and stated that the Board appreciated her service.

Assistant to the President Bradley thanked Associate Director Kading for her support to the legislative liaisons. She noted that the liaisons consider Frank Stork to be the dean of the Regents' liaisons. She added he is very pleasant to work with.

Regent Fitzgibbon questioned what kind of vehicle will be used for the review of capital projects. Mr. Richey said staff is trying to get a copy of the final bill for analyzing. They will then try to reach a conclusion on what the Governor's position should be. He noted that Regent Tyler's capital procedures committee is scheduled to meet again in a month.

Regent Fitzgibbon stated that the threshold amounts can cause a lot of work. Mr. Richey said the threshold is \$250,000 for projects funded by state funds. He agreed that it will require a lot of work on the part of the institutions. He said there has to be some understanding among legislators that a \$250,000 project is not all that large in terms of anticipating the timing.

Regent Fitzgibbon asked if there was any provision for any of the institutions to be able to take care of something without prior approval. Mr. Richey said the specific standards relating to activities requiring prior approval have not been established.

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Regent Fitzgibbon asked if there was any help any of the Board members can give in helping persons understand the uniqueness of this. Mr. Richey said that will be very important next year. He said he talked with Mr. Colloton about the restriction on projects above \$250,000 that are funded by state appropriations. That was a concern before the provision was put on. He said there is no way to get around the \$250,000 advance notice although it is a reporting action at this point. Regent Fitzgibbon said the Regents need to have a lot of input before it becomes an action item. The legislators have to know this Board is accountable and that the restriction is too tough. Chairman Tyler said the liaisons made that known.

President Eaton said the Regents universities presidents feel very grateful for all that was accomplished this legislative session. He felt that the state of Iowa as a whole is in support of the Regent institutions. In following what is going on in other states university officials find there is nothing but bad news in a number of other states. He said they have previously discussed the role of the legislative liaisons. They work together very well and very effectively as a team. He agreed that Frank Stork deserves a lot of credit but said the rest of the team does also. He said the Saturday morning telephone calls between the institutions, and Board Office and President Pomerantz have put them in a much more effective operating mode. The Governor also had a very key role in all of the progress made by the Regents this session. The Governor demonstrated that he is a friend of the Regent institutions.

**ACTION:** Chairman Tyler stated the Board received the report on legislative activities by general consent.

**REPORT ON PRELIMINARY BUDGETS.** The Board Office recommended the Board receive the report on preliminary budgets and budget policies for fiscal year 1990.

Overall general fund budget growth projected for fiscal year 1990 is 9.1 percent. The expenditure growth is principally in salary categories which increase 9.6 percent. The revenue growth is in three areas:

Student fees	6.7 percent
Sales and services (principally from the University of Iowa Hospitals and Clinics)	11.5 percent
State appropriations	9.6 percent

The legislature appropriated \$42 million of additional operating funds to the Board of Regents including salary increases, tuition replacement and a \$1.05 million fiscal year 1989 supplemental increase in state appropriations, a 10 percent increase.

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When the supplemental appropriation is correctly assigned to fiscal year 1989 and tuition replacement is excluded the Regent institutions still have a pleasant 9.6 percent increase.

In addition to the additional operating funds, the Board of Regents will receive \$34 million in capitals and \$8.1 million in lottery appropriations. Despite this revenue growth, internal reallocation is required to meet the cost of faculty and Professional and Scientific staff salary policies.

Faculty salary policy at each university will provide an average increase of 10 percent to continuing faculty. The two special schools propose to achieve an 8.9 percent average faculty salary increase plus 1.1 percent for professional development.

Through his salary adjustment recommendation, the Governor augmented the standard 5 percent state appropriation for faculty salaries requiring only approximately one-half percent reallocation by each university. Therefore, appropriations fund a faculty salary budget increase of approximately 6 percent, except for the University of Northern Iowa where appropriations were provided for approximately 6.5 percent faculty salary budget increase. Increases in tuition revenue and internal reallocations comprise the balance of faculty salary funding at the universities.

This docket item and the institutional budget docket items are the preliminary budgets for fiscal year 1990 (July 1, 1989--June 30, 1990). The institutions will prepare more detailed budgets for review and action by the Board at its June meeting. Any changes proposed by the Board during the preliminary budget discussion are to be incorporated into the final fiscal year 1990 budgets.

Director Eisenhower stated that during the previous difficult years the Regents' budgets have not kept up with inflation. One incredible achievement attained by the Regents is the 3-year faculty salary improvement program. There are also new initiatives such as improving undergraduate education. She said certain building repairs and equipment and supplies had to be deferred. It is hoped adequate resources will be secured next year to address those needs. Director Eisenhower said the purpose of this review was to look at the proposed resource allocation to ensure it is consistent with the Board's priorities. Changes can be made in the operating budgets in accordance with discussion at this meeting and brought back in June for final approval. These budgets are for fiscal year 1990 which begins July 1, 1989. These are the general operating budgets and do not reflect special purpose appropriations. They do include allocation of state appropriations, tuition and fee revenue and other various revenue sources. When final budgets are presented in June they will show the total resource budgets which will approach \$1.3 billion. The general operating budgets total \$833 million.

Director Eisenhower said general operating budget growth projected for fiscal year 1990 is 9.1 percent. The expenditure growth is principally in salary

categories which increase 9.6 percent. The revenue growth is in three areas: student fees, 6.7 percent; sales and services, 11.5 percent, which is principally from the University of Iowa Hospitals and Clinics; and state appropriations which is 9.6 percent. She said the legislature appropriated \$42 million of additional operating funds to the Board of Regents including salary increases, tuition replacement and \$1.05 million from the current fiscal year supplemental increase in state appropriations. All of these increases together represent a 10 percent increase.

The percentage of budgets represented by appropriations varies from approximately 65 percent at the University of Iowa to approximately 98 percent for the Iowa School for the Deaf. Director Eisenhower said these percentages do not include the restricted funds which are approximately \$350 million. Restricted funds are a significant portion of the total budgets at the University of Iowa and Iowa State University.

Director Eisenhower said the revised fiscal year 1989 total general operating budget for all Regent institutions is \$763,420,000.

For fiscal year 1990, the total preliminary operating budget is \$832,689,000. For fiscal year 1990 the Board requested \$492.2 million in state appropriations. Final legislative action appropriated \$463.6 million to the institutions and to the Board Office including the tuition replacement appropriation. Although legislative action was substantially under the Board's request, it was almost identical to the Governor's recommendation. The legislature specifically allocated a total of \$1.7 million to be used for undergraduate education and \$1 million for minority recruitment. Both of these items were top priorities in the Board of Regents request.

Associate Director Kading stated that major new appropriated initiatives include undergraduate education, minority recruitment, library automation and agriculture research. As a result of unfunded enrollment increases, required undergraduate courses had to be closed, and the universities relied on teaching assistants and temporary faculty. The improving undergraduate education effort is a four-year program to enhance undergraduate education at the three universities.

The Board of Regents budget request for addressing undergraduate education for fiscal year 1990 was \$3.4 million per year for 4 years, as follows:

	<u>Asked</u>	<u>Appropriated</u>
SUI	\$1.8 million	\$900,000
UNI	\$1.2 million	\$600,000
ISU	\$400,000	\$200,000

The Governor reviewed that recommendation and decided that one-half of the requested amount would be his recommendation.

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Associate Director Kading said the second major initiative is minority recruitment with a \$1 million appropriation. Three programs were identified including Iowa Minority Academic Grants for Economic Success (IMAGES) which provides a maximum grant of \$3,500 per year. The second part of the minority recruitment effort is outreach called the College Bound Program. The third aspect is Minority and Women Educators Enhancement. Ms. Kading emphasized all three of the Regent universities have ongoing minority recruitment programs.

Library automation was another area of direct appropriation. The amount appropriated was \$1,050,000, which was the same as the Board of Regents' request. Library automation programs are in process at all three universities.

Associate Director Kading noted that agriculture research was funded at a level of \$2 million to Iowa State University, which was the same as the Board of Regents' request. Of that \$2 million, \$600,000 goes to the Leopold Center for Sustainable Agriculture. She said the Early Child Development Education Center at the University of Northern Iowa was funded at a level of \$400,000.

Regent Fitzgibbon asked if the \$500,000 for minority recruitment is divided equally among the Regent universities. Associate Director Kading answered University of Iowa and Iowa State University each will receive \$200,000, and the University of Northern Iowa receives \$100,000.

Regent Williams asked if the appropriation to enhance minority recruitment will not replace money already being spent by the universities. Associate Director Kading said that was correct.

Regent Fitzgibbon stated former Regent VanGilst should be given credit for the Regents receiving an appropriation for minority recruitment.

Associate Director Kading stated that other costs of operation include salary annualization, health insurance, utilities, inflation, administrative systems, building repairs, equipment and audit costs.

Associate Director Kading said there will be a study of the utility debt services requirements because of concerns that there is not enough money appropriated to handle utility concerns. In regard to inflation, the Governor recommended 3.5 percent. Ms. Kading noted that the Governor and the legislature assisted in augmenting some of the funds provided for faculty salaries so the institutions would not have to internally reallocate as much.

Regent Hatch asked if the faculty salaries included the cost of fringe benefits. Associate Director Kading said those figures represented salary only.

Mr. Richey stated that institutional officials were very deeply concerned about the probability of having to reallocate in order to maintain the third

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year of double-digit faculty salary increases. Institutional officials doubted they would be able to do that, especially considering the utility budget problems. Mr. Richey said he went to the Governor's Office and told of this problem and requested their help. The Governor's Office recommended an additional \$3 million in faculty salary funds for an additional 1.1 percent which will hold reallocation down to ensure the third year of double-digit faculty salary increases.

President Eaton stated that with this next faculty salary increase, Iowa State University will be at the average or slightly above the average faculty salary at other land grant universities. Considering they were at the bottom when he joined the university, he felt that was really quite remarkable and doubted whether any other university has done this in this amount of time.

Regent Fitzgibbon asked what it will take to maintain that standing. President Eaton said other states are going in the opposite direction. He felt it was not just enough to catch up but they also had to keep up. He said advance information suggests the range of faculty salary increases of other land grant institutions will be 2 percent to 6 percent.

Mr. Richey said the Governor already has pending before the General Assembly a request for 6.5 to 7 percent further increase for fiscal year 1991. He said that should not only maintain their status but allow some further improvement.

Regent Hatch stated that excellence in education means suitable offices for the faculty members, roofs that don't leak, air conditioned classrooms for undergraduate students, and windows that can be opened. She expressed extreme concern about building repairs budgets. Deferred maintenance at the University of Iowa is \$33 million. She said they should allocate \$6 million/year for building repairs. In this preliminary budget the building repair budget appeared to decrease from \$2 million to \$1.4 million. Instead of trying to increase that budget she felt university officials were allowing it to fall further behind. She felt Iowa State University officials were also taking a step backward in their building repair budget. She said she did not understand how they could continue to support excellence in education and allow buildings to deteriorate.

Chairman Tyler said he did not disagree with Regent Hatch's comments. However, he said they have come a long way and have accomplished a lot in the last three years.

Regent Hatch stated that another phase of excellence in education should be building repairs, and it should become a priority.

Regent Fitzgibbon said the institutions were not even playing catch up at this time. He said the ideal way to handle this would be a one-shot infusion. A plan should be developed outlining how to get to a level so they are not playing catch up and then, thereafter, budget a certain amount of money for

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building repairs every year. He cautioned that if they didn't act on this then ten years from now they would be talking about the same thing. He suggested to Mr. Richey that a plan be developed and presented to the Board. Mr. Richey said the Regents have initiated action on this matter as part of the organizational audit.

Chairman Tyler stated that President Pomerantz has previously suggested they come with a program of a certain dollar amount needed each year in appropriations, year after year, to take care of capitals, a portion of which would be for repairs.

Regent Williams said the Board and the institutions should come up with a total plan. She said they are very good at building buildings but need to build in maintenance plans and cyclical repairs.

President Curris told Regent Hatch that the institutional officials all appreciated her strong statement on deferred maintenance. He said that at the University of Northern Iowa they have not reduced building repair budgets. In the state of Iowa, funds appropriated to the universities revert back to the state at the end of the fiscal year. The institutions are also under mandate to operate within revenues which he said basically means that in this state they have to have contingency plans at all times. What most institutions do is wait to see the condition of the state and the tuition revenues are before they commit funds toward the end of the fiscal year. Toward the end of the fiscal year, they try to address repair expenditures. They then come to the Board and ask for revised budget authority.

Associate Director Kading addressed lottery appropriations. The funding is similar to what the Regents received in the current fiscal year. Differences include funding for the research parks at the University of Iowa and Iowa State University, and emerging business opportunities at the University of Northern Iowa. She said all of these projects are funded out of the Education and Agriculture Research and Development Account. There will not be any competitive grants next year.

Mr. Richey cautioned that this bill is not yet signed by the Governor, and there could be some line item vetoes.

Director Eisenhower said the Governor has not signed the Regents' capital appropriations bill. The language in the capital appropriations bill says that if there are not sufficient funds the Governor may choose to fund a portion of the projects.

Regent Williams asked why the library addition was funded for more than was requested. Director Eisenhower said that appropriation also includes funds for equipment.

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Chairman Tyler said 53.16 percent of their funds are from state appropriations. After meeting salary policies and earmarked projects, they have very few funds remaining for building repairs and equipment.

President Rawlings stated University of Iowa officials were very pleased with the overall budget. He echoed the comments of President Eaton and Mr. Richey that it has been a good year and the university has benefitted a great deal. He addressed two areas where they did not make the kind of progress he would have liked to. One area was libraries. The increase in the acquisitions budget will not allow them to keep up with inflation which he said is a serious problem for a major research library like the University of Iowa's. Library staffing was also a major concern. The other area of concern was the basic budget for the College of Medicine. That college generates a substantial proportion of its revenues. University officials will put a good deal of emphasis on that next year. He said faculty salaries was a very important area for appropriations. He recognized the efforts of the Governor in this area. University of Iowa faculty salaries will move into a very competitive position. He noted that university officials have never seen such competition for faculty.

Vice President Phillips stated that the salary program has been a major investment for the university. It has taken some internal reallocation and is causing some of the distortions especially with respect to building repairs. Their Professional and Scientific staff salary increase is recommended at 7 percent which includes promotions. University officials will try to lessen the gap between faculty and Professional and Scientific salary increases which has become a problem on campus. There are some small inflationary increases in the general expense and repair budget. She said undergraduate education is a major program. This is the first year the Opportunity at Iowa program has actually received funding. Another area being addressed in the budget is utilities. They will reallocate some funds to the utility system to deal with requirements of debt service. There is still a shortfall in their utility budgets causing them to defer some of their programs. University officials are projecting a significant deficit in this area. The one-time appropriation for library automation will give them a start on library automation.

President Eaton said he was very pleased to have received funding for agriculture research. He felt this area of funding was coming back up to something commensurate to the importance of agriculture to Iowa's future. Their next priority, in addition to deferred maintenance, is Professional and Scientific salaries. In order to achieve faculty salaries they have had to let Professional and Scientific salary increases decline. Next year they will begin to try to address the issue of Professional and Scientific salaries. He said the other area that has taken a hit is supplies and services. The budget for supplies and services has been flat for close to a decade. He said some department heads think this is a more serious problem than increasing faculty salaries.

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President Curris said the proposed University of Northern Iowa budget expenditures presented this month and the detailed budget the Board will receive next month represented the university's needs as presented last fall. University of Northern Iowa officials are very pleased with the funding for the Early Child Development Center. He said there were three areas he wished to discuss in which university officials have a special interest. One area was salaries. Universities are labor-driven entities. He referred to the adage that you get what you pay for and said they are receiving what they pay for. President Curris expressed concern with the overall salary level. He said they will see a major shift at the collegiate level in the supply of university professors. The positions available will exceed the supply of qualified faculty; therefore, salaries must be competitive.

Undergraduate education was the second area President Curris addressed. University of Northern Iowa officials will be committing the full amount of the appropriation toward strengthening undergraduate education. It is the first of a four-year program. Needs in this area include getting additional faculty where the need is greatest and converting part-time faculty to full-time positions. He said additional lottery funds were provided for the University of Northern Iowa College of Business Administration to work more closely in the economic development effort. They have been asked to provide more help to the business community. He said the budget to be presented next month will reflect that initiative.

Superintendent Johnson thanked everyone for the 1990 budget. He said it was very positive for them to be able to work on faculty salary and maintenance problems. As they look ahead he hoped they could address capital projects, including the recreation center and asbestos removal. He said that as the next budget proposal comes up they will be looking at responding to the Peat Marwick Main suggestion that they pursue new initiatives, including expanded outreach efforts. Superintendent Johnson noted that enrollments are up significantly.

Acting Superintendent Terzieff expressed Iowa Braille and Sight Saving School officials' gratitude to the Board for the budget. They are particularly pleased with the increase in salaries. One area for which they are especially grateful is the 1.1 percent of the salary increase for staff development. There is a very strong need for that. He said the attitude of the staff in general is very good. He said Iowa Braille and Sight Saving School is also seeing an increase in the student population.

Regent Fitzgibbon referred to President Eaton's concern about addressing the need for the supplies and services budget and asked how many dollars it would take to bring that back up where he wants it. President Eaton responded that in the area of supplies and services they would need funding of \$4 million per year for 5 years. About the same amount would be required to get Professional and Scientific salaries up.

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**ACTION:** Chairman Tyler stated the Board received the report on preliminary budgets and budget policies for fiscal year 1990 by general consent.

**SPECIAL SCHOOL FACULTY PAY PLAN.** The Board Office recommended that the Board approve (1) the proposed 1989-90 faculty salary schedule for Iowa School for the Deaf and Iowa Braille and Sight Saving School; (2) provision for extra-meritorious increases of \$1,000 to \$2,000 for selected faculty as part of Phase III of the State Teachers Salary Improvement Program; and (3) the supplemental pay schedules for the performance of special activities.

The proposed salary schedule for 1989-90 has been increased by 5.5 percent at each cell. The proposed schedule will provide step movement for satisfactory performance where available at a cost of 1.4 percent.

Funds equivalent to Phase III funds of the State Teachers Salary Improvement Program will provide for extra-meritorious increases for selected faculty at a cost of 2 percent.

In-service programming for faculty will be provided with Phase III-type funds amounting to 1.1 percent. In addition, the Superintendents proposed pay schedules for supplemental activities that will make the pay for such activities at the two schools more comparable to the pay for similar work at community schools in their areas.

Director Volm stated the proposed salary schedule was developed in cooperation with the special schools' superintendents. He said Mr. Richey met with the faculties on each campus.

Regent Williams asked for the total percentage of salary increase for these two schools last year. Director Volm said it was 6.15 percent last year.

Superintendent Johnson said the school's teachers are very pleased with the recommendation. He said it will make Iowa School for the Deaf very competitive with other schools.

Acting Superintendent Terzieff expressed gratitude on behalf of Iowa Braille and Sight Saving School faculty for the recommendation.

Regent Hatch stated that in the public schools of this state, school raises which include fringe benefits range around 5.1 to 5.6 percent. She cautioned a raise of this type will put the salaries of the special schools' teachers way out of line with the public schools.

Regent Williams suggested they also consider a comparison with salaries of teachers of other residential programs. She felt it would be useful in the future to have some sort of comparative basis with other residential schools

throughout the nation, and especially in the Midwest. Director Wright stated that staff has previously tried to provide a summary analysis of salaries of other residential schools. However, only one of the three institutions used for comparison has an established salary schedule.

Regent Hatch cautioned that the salaries may be getting to the point of becoming out of line. Mr. Richey said that if they are then it is certainly an unusual position. The special schools have not been competitive for years. The statewide increase two years ago began to help raise faculty salaries for these institutions. The very attractive increases in teacher salaries at the special schools are due to the Governor's initiatives and the Governor's recommendations to the General Assembly. The Board of Regents did not make a specific request for these faculties, but the Governor obviously felt they should have the increase. Mr. Richey said that during his discussions with the superintendents concerning the pay schedules they indicated they are in extremely competitive positions now. Another fact concerning the pay schedules is that the minimum increase is based on satisfactory performance. For the first time these institutions will be making adjustments based on assessment of performance due to the new merit portion of the pay schedule.

Regent Hatch asked if the special schools' faculty get phase 1, 2 and 3 funds. Mr. Richey said the Regents made some adjustments in the way they administer that program. They followed the minimum but also made some adjustments in the first year so that not only did the beginning school teacher benefit but also the experienced ones.

Regent Williams said they need to be concerned about the effect of their salary policies on the way the special schools are viewed by the K-12 public schools.

**MOTION:** Regent Greig moved to approve the recommended action. Regent Furgerson seconded the motion, and it carried unanimously.

**PROFESSIONAL AND SCIENTIFIC PAY PLANS.** The Board Office recommended that the Board --

1. Approve the following policies for distribution of professional and scientific salaries for fiscal year 1990:

University of Iowa - average increase on July 1, 1989, of 7 percent including promotions for general fund employees and 8 to 9 percent for health care professionals; employees would receive minimum of 2 percent increases for satisfactory performance.

Iowa State University - average increase on July 1, 1989, of 6.5 percent with a minimum increase of 2 percent for satisfactory performance.

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University of Northern Iowa - average increase of 3 percent for satisfactory performance and 1.5 percent for merit on July 1, 1989, and an average increase of 4 percent based solely on merit on January 1, 1990;

Iowa School for the Deaf and Iowa Braille and Sight Saving School - average increase on July 1, 1989, of 3.5 percent and 5 percent on January 1, 1990. All increases will be based solely on merit;

Board Office - average increase of 3.5 percent on July 1, 1989, and average increase of 5 percent on January 1, 1990. All increases based on merit; and

2. Approve revised professional and scientific pay schedules for 1989-90, as presented.
3. Approve the following changes to professional and scientific classification plans:

University of Northern Iowa - additions of Administrative Assistant III in pay grade 4; Director V in pay grade 8; and Manager V in pay grade 6.

Iowa School for the Deaf - move the Registered Nurse from pay grade 2 to pay grade 3.

Board Office - move the Assistant Director classifications from pay grade 3 to pay grade 4 and the Associate Director classifications from pay grade 5 to pay grade 6.

The appropriations bill enacted by the legislature for fiscal year 1990 provides for an average base salary increase for professional and scientific employees of 3.5 percent plus the equivalent of a merit increase.

Professional and scientific salary schedules were adjusted based on state appropriations as well as the need to maintain a competitive market advantage. The salary schedules continue to reflect the principles of comparable worth. The adjusted schedules will allow the institutions flexibility in rewarding outstanding performance.

Director Wright said that one problem is yet to be resolved. That concerns the Iowa School for the Deaf Head Nurse position. The Board Office will undertake a review of the school's Professional and Scientific pay plans and then present a recommendation to the Board.

MOTION:

Regent Williams moved to approve the recommended actions. Regent Hatch seconded the motion, and it carried unanimously.

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**PRE-TAX PREMIUM CONVERSION AND DEPENDENT CARE PRE-TAX SPENDING ACCOUNTS.** The Board Office recommended that the Board approve:

- (1) the establishment of a pre-tax conversion program for health, dental and life insurance premiums effective July 1, 1989, and a pre-tax spending account for dependent care effective April 1, 1990, for Regent blue-collar, security, technical and clerical employees as provided in the collective bargaining agreement between the state and the American Federation of State, County and Municipal Employees (AFSCME); and
- (2) the establishment of those pre-tax programs for non-contract merit employees and the professional staff at Iowa School for the Deaf, Iowa Braille and Sight Saving School and the Board Office effective July 1, 1989, and April 1, 1990.

The Board has previously approved similar pre-tax programs for university faculty, professional and scientific staff and non-contract merit employees. The recommended action would approve implementation of the provisions for pre-tax programs agreed to for employees covered under the collective bargaining agreement with AFSCME, and would extend availability of the same programs to other Regent employees who do not yet have those options.

The proposed programs will permit employees to elect to pay their part of insurance premiums with pre-tax rather than after-tax salary dollars. Employees will also be allowed to designate an amount of pre-tax dollars to be used for dependent care.

Both programs will be developed and operated in accordance with the regulations of the Internal Revenue Service.

MOTION: Regent Williams moved to approve the recommended actions. Regent Furgerson seconded the motion, and it carried unanimously.

**PROPOSAL FOR REGENT MERIT PAY PLAN.** The Board Office recommended that the Board approve effective July 1, 1989, the following revisions in the Regents Merit System Pay and Classification Plans and Rules:

1. Pay matrices for non-organized employees and blue-collar, security, technical and clerical employees which have been increased by 3.5 percent in accordance with legislation and negotiated collective bargaining agreements;
2. Classification plan revisions consisting of six new classes, five title changes, revised class descriptions with no change in pay grade for 31 classes, revised descriptions with a change in pay grade for six classes, and the deletion of six classes, as presented; and

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3. Merit rule revisions regarding classification appeals and testing which are non-substantive and proposed only for purposes of clarification.

In addition to the 3.5 percent across-the-board increase effective July 1, 1989, eligible employees will receive a within range step increase of approximately 4.6 percent in accordance with merit rules or collective bargaining agreements.

Most of the proposed revisions to the classification plan are the by-product of the systematic review of position classification implemented a year ago.

In addition, the Board was asked to re-establish three classes for use at University Hospitals in the same pay grades in which they previously existed, and to approve two changes agreed to in collective bargaining negotiations between the state and AFSCME: title change from Telephone Operator to Telecommunications Operator and the deletion of Power Plant Larry Worker.

Pay grade changes are subject to implementation through the collective bargaining process.

As the result of the proposed classification revisions, 57 employees would receive an increase of one pay grade and 8 employees would receive a two pay grade increase.

**MOTION:**

Regent Berenstein moved to approve effective July 1, 1989, the revisions in the Regents Merit System Pay and Classification Plans and Rules, as presented. Regent Furgerson seconded the motion, and it carried unanimously.

**EDUCATIONAL AND AGRICULTURAL RESEARCH AND DEVELOPMENT ACCOUNT.** The Board Office recommended the Board (1) authorize twelve fundamental research projects to be submitted to the Department of Economic Development for funding in a specified priority order and (2) authorize eight applied research projects to be submitted to the Department of Economic Development for funding in a specified priority order.

The Board Office recommendation for these competitive funds and the legislatively-earmarked allocations of Lottery funds would result in the following distribution for fiscal year 1989:

University of Iowa	\$1,266,914
Iowa State University	5,839,423
University of Northern Iowa	503,730

Mr. Richey said the allocations are both by statute and by competitive award. These are the competitive ones. The Regent universities submitted

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\$15.5 million in requested projects to the Board Office, and the Board Office had to narrow that down to \$2.5 million. Staff respected the institutional priorities in terms of not reaching down and putting one project above another.

Chairman Tyler stated that two years ago the Regents encountered a problem with the Department of Economic Development regarding the way they awarded some of these funds. Specifically, the priority order in which the Regents presented the projects was ignored. He said President Pomerantz, Mr. Richey and he met with some Department of Economic Development officials and discussed their concerns. He said Mr. Richey assured him that dialogue is continuing.

Regent Greig said it was his understanding that in 1990 there would be no competitive awards. Mr. Richey said that if the Governor line item vetoes some of those then there would be.

Mr. Richey referred to earlier discussion concerning how well the legislative process works. He said this is the one area where it gets pretty tense and one which he thinks the Board will have to address. They cannot have the potential for clashes and conflicts among institutional personnel. He was referring to the process that goes on in the General Assembly to legislatively earmark these funds at each of the universities. If one university wants a \$500,000 project and so does another, it can get pretty tense.

Regent Williams said she felt the lobbying should go on at the Board level and that the Regents should know about these projects before they are lobbied.

Chairman Tyler said he felt there was confusion in the minds of the legislators about what the priorities of the Regents are.

Regent Greig noted that some of the lobbying comes from outside the university systems, including some commodities groups.

Mr. Richey suggested the Regents look at this process. The Regents need to know what their position as a Board is and also how they would propose those funds be allocated. He said the Board Office staff will bring it to the Board with proposals on which the Board can make a decision. He anticipated that would happen this fall, either in October or November.

MOTION:

Regent Hatch moved to (1) authorize twelve fundamental research projects to be submitted to the Department of Economic Development for funding in a specified priority order and (2) authorize eight applied research projects to be submitted to the Department of Economic Development for funding in a specified

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priority order. Regent Westenfield seconded the motion, and it carried unanimously.

**REPORT ON REVISION OF UNIT COST FORMULA.** The Board Office recommended the Board approve a revised method of computing the unit cost of instruction with the understanding that the method of allocating academic staff salaries will be reviewed upon completion of faculty workload deliberations.

At the request of the Board, an interinstitutional committee in cooperation with the Board Office initiated a detailed review of all the assumptions and procedures used to compute unit costs. An interim report was made to the Board in November setting forth preliminary recommendations and issues remaining to be resolved.

Since that time the interinstitutional committee and the Board Office have met to resolve outstanding issues. As the committee attempted to develop a method of computing unit costs which would be as accurate as possible, compromises had to be made on interinstitutional consistency. Nevertheless, the final unit costs developed at each institution will be a more accurate estimate of the costs of education borne by taxpayers and students.

Director Eisenhower stated that unit cost is the cost of educating a student for a year. There are still some issues relating to faculty workload that are yet to be addressed. She noted that unit costs are computed every other year.

Chairman Tyler said that the docket materials indicated they had spent a year on it, and now they say they will review it every two years. Director Eisenhower said the cost is computed every two years. They will take another look at the method of computing the cost when the faculty workload study is completed.

**MOTION:**

Regent Williams moved to approve a revised method of computing the unit cost of instruction with the understanding that the method of allocating academic staff salaries will be reviewed upon completion of faculty workload deliberations. Regent Greig seconded the motion, and it carried unanimously.

**REVISED BUDGET PROCEDURES.** The Board Office recommended the Board approve the revised budget process as suggested by the Peat Marwick Main and Co. organizational audit on budget procedures.

The Peat Marwick Main budget report analyzed and made recommendations regarding the processes by which the Board's request budgets, operating budgets and capital budgets are developed and monitored. The Board approved

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the proposed implementation plan in December and directed that a new budget process be documented in accordance with the implementation plan.

An interinstitutional committee in cooperation with the Board Office has reviewed in depth the budget report of the organizational audit and has developed revised budget procedures implementing several recommendations contained in the report along with other budget system improvements identified by the committee.

The Capital Financing Priority Issue Study Group will review the capital procedures and revise the capital budget process this summer.

Director Eisenhauer stated that they were attempting to implement some of the recommendations of Peat Marwick Main. The revised budget process and forms incorporate several improvements in the Regents budget process:

1. Regents will determine budget policy and goals with appropriate consideration given to institution recommendations. Institutional managers will be allowed to manage but must be accountable for the results.
2. The request budget will be linked to the strategic plan. The operating budget will be linked to the request budget.
3. Budgeting will be tied to the financial management system and the new financial accounting system to provide for appropriate tracking and reporting.
4. Data provided to the Board of Regents will support decision making at the Regent level (i.e., no unnecessary data).
5. Regents budget process will be compatible with the State budget system, but may vary when appropriate to management of higher education entities. Conversions of Regent budget requests can occur as needed to conform to State budget system.
6. Institutions will demonstrate to the Board an on-going system of examination and analysis of base budget allocations.
7. Operating budget development will be timely but will not be done so as to prejudice consideration of the Regents request by the Governor or the Legislature.
8. The relationship of actual expenditures to budgets will be reported to the Regents periodically during the year. Proposed expenditure changes not compatible with previous understandings between the institution and the Board of Regents will be reviewed by the Board of Regents.

9. Budget development schedule will provide adequate time for Board Office review and Regent deliberation.
10. Capital budget procedures developed by the Board's Capital Development and Oversight Procedures Committee will be retained.
11. Budget submission to the Board of Regents will be prepared in a standard format and automated to the extent practical. National standards for revenue classifications will be used in budget presentations (National Association of College and University Business Officers classifications).

Director Eisenhauer stated that with the implementation of a quarterly expenditure report, they will be able to tell the Board how expenditures compare with the budget.

**MOTION:** Regent Berenstein moved to approve the revised budget process as suggested by the Peat Marwick Main and Co. Organizational Audit on budget procedures. Regent Hatch seconded the motion, and it carried unanimously.

**REPORT OF THE BANKING COMMITTEE.** The Board Office recommended the Board receive the report of the Regents Banking Committee and take action on appropriate items.

Regent Fitzgibbon, chairperson of the Regents Banking Committee, stated the Banking Committee met that morning and spent an hour and one-half discussing risk management. The committee members wished to emphasize the need to give this a great deal more thought and requested suggestions and comments from the rest of the Board. He said that by June 11 or June 12 each of the Board members will receive a revised copy or possibly a final draft of the report. He asked that all input and suggestions of Board members be referred to Director Eisenhauer. The Banking Committee will have another opportunity to review that report. He asked that staff set up a two-hour meeting for the Banking Committee in June. After the June meeting the Banking Committee will come to the full Board with a recommendation. He said this is a complex and important item. They are dealing with approximately \$2.8 billion in property.

Regent Fitzgibbon said the Banking Committee members also talked about telecommunications. Last month when this item was discussed there seemed to be some urgency which is no longer the case. The Regent's bonding authority will not be used. He summarized the committee's feelings by saying they don't want to hurry, they have to expedite, and they look with favor in participating. Mr. Richey and the staff will be working with other members of state agencies on this issue.

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The Banking Committee also received quarterly investment and cash management reports. Regent Fitzgibbon apologized to the institutional officials for not having enough time to address those reports individually. He said the Banking Committee members are well satisfied with the reports. He congratulated the university staffs and the auditors on those reports.

Regent Fitzgibbon stated that one form of action taken by the committee was on the approved list of investment brokers with offices in the state of Iowa. He congratulated the Board Office on this effort and said it was another case of quality work in the way they researched, documented and presented the references for these brokers. He noted there will be an agreement with each of the brokers.

MOTION: Regent Fitzgibbon moved to approve 14 brokerage firms for transacting institutional business. Regent Berenstein seconded the motion, and it carried unanimously.

**CHANGE IN ADMINISTRATIVE RULES - FINAL ADOPTION OF TELECOMMUNICATION RULES.**  
The Board Office recommended the Board approve final adoption of the proposed telecommunication rules.

This item concerned the final adoption of rules previously approved by the Board of Regents. The required hearing was held and resulted in no oral or written comments. The Administrative Rules Review Committee had no objections or changes in the proposed rules.

University of Iowa officials were amending its rules as originally approved by the Board to eliminate unnecessary details.

MOTION: Regent Furgerson moved to approve final adoption of the proposed telecommunication rules. Regent Williams seconded the motion, and it carried unanimously.

**APPROVAL OF STUDENT TEACHING CONTRACTS.** The Board Office recommended the Board (1) approve the proposed Cooperative Student Teaching Agreement form of the University of Northern Iowa for 1989-90, (2) approve the proposed Cooperative Student Teaching Agreement forms of the University of Iowa and Iowa State University subject to revisions required by changes in the Code of Iowa, and (3) authorize the Executive Director and the presidents (or their designees) to sign the individual agreements.

In accordance with the Regents Procedural Guide, the universities submitted to the Board for approval their student teaching agreement forms for 1989-90. Under these agreements, Iowa school districts contract with the Board of

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Regents to furnish instruction to pupils and to train teachers. The Board, through its annual review of contract forms, approves the format and conditions of contracts for the ensuing year.

The University of Northern Iowa agreement was revised to reflect new teaching experience requirements in its approved university curriculum, changes in the Code, and updating of language relating to impermissible discrimination as found in federal law and the university's affirmative action policy.

The teaching agreement submitted by the University of Iowa was identical to the agreement used in 1988-89. Except for the addition of a 12-week student teaching assignment, the Iowa State University teaching agreement was the same as the one approved in 1988-89. Both the University of Iowa and Iowa State University officials will need to incorporate the new Code language into their agreements.

**ACTION:** Chairman Tyler stated the Board, as a consent item, (1) approved the proposed Cooperative Student Teaching Agreement form of the University of Northern Iowa for 1989-90, (2) approved the proposed Cooperative Student Teaching Agreement forms of the University of Iowa and Iowa State University subject to revisions required by changes in the Code of Iowa, and (3) authorized the executive director and the presidents (or their designees) to sign the individual agreements.

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

**Resignation:** Linda Kading, Associate Director Business and Finance, effective June 8, 1989. Ms. Kading has resigned in order to attend full-time the Drake University College of Law.

**Transfer from Department of Management:** Bradley Hudson to position of Assistant Director, Business and Finance, effective June 1, 1989, at an annual salary of \$42,000 plus usual fringes.

**Temporary Appointment:** Richard Tiegs as Research Analyst in a temporary full-time position effective May 19, 1989 through August, 1989, at a salary of \$14.00 per hour.

**MOTION:** Regent Williams moved to ratify the personnel transactions, as presented. Regent Hatch seconded the motion, and it carried unanimously.

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

**PRELIMINARY BUDGET FOR BOARD OFFICE.** The Board Office recommended the Board approve the preliminary Board Office budget for fiscal year 1990 in the amount of \$1,106,715 and, further, that supplemental reimbursements by the institutions up to \$7,500 be authorized for fiscal year 1989.

The proposed budget of \$1,106,715 for fiscal year 1990 will continue the present level of program and staff support. The proposed budget represents an increase of \$62,239 or 6 percent over projected expenditures for fiscal year 1989. The proposed budget for salaries is up 5.8 percent while other operating expenditures are up 13.1 percent excluding equipment.

The major task to the Board Office in the coming year will be in the area of strategic planning. Peat Marwick Main, Inc. is completing its studies and recommendations regarding strategic planning and the institutions are at various stages in developing strategic plans. The Board has indicated that it plans to develop a Regent-wide strategic plan and to participate in state-wide strategic planning for postsecondary education. The Director of Planning in the Board Office will assume her duties on May 22, 1989, and will be fully underway during the new fiscal year.

The other major thrust of the Board during fiscal year 1990 will be to review the completed organizational audits by Peat Marwick Main, Inc. and, taking into consideration the comments of the institutions and recommendations of the Board Office, to implement those recommendations as appropriate. Those actions will include those related to the reduction of program duplication, improvement of the focus of academic programs, as well as measures needed to improve overall effectiveness and efficiency in administration of the non-academic functions.

The proposed budget assumes the fully-authorized staff of 19.6 full-time equivalent positions during the year. A professional position in the academic affairs unit has been upgraded from a Research Analyst to an Assistant Director. In the Business and Finance Unit, two resignations have allowed us to substitute two lower-ranking positions (an Assistant Director in lieu of an Associate Director and a Research Analyst in lieu of an Assistant Director). These moves have allowed reallocation of about \$15,000 to urgently-needed non-personnel categories of the budget.

The critical elements in the proposed non-salary budget relate to travel for the Board itself, office supplies, and the costs of providing maintenance services for equipment in the office. Travel expenses for the Board of Regents are budgeted preliminarily in fiscal year 1990 at \$23,000. This figure compares to \$17,000 budgeted for fiscal year 1989 and estimated expenditures of \$35,000. Travel expenses for the Board Office are budgeted at \$13,000 below estimated expenditures in the current year and about 10 percent

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above the original budget for fiscal year 1989. The budget for office supplies is maintained at the same level as budgeted for the current year, which represents 3.8 percent over projected expenditures for this year. The proposed budget for communications shows an increase of \$2,000 and is due entirely to the new Director of Planning.

Mr. Richey stated that the Board Office budget for fiscal year 1990 is extraordinarily close. The big problem is in the non-salary category. The budgets for travel are both reduced \$15,000 to \$16,000 from what the actual amounts will probably be this year. Board Office staff is presently prohibited from seeking funds from the institutions. He said that will undoubtedly be line item vetoed especially because of unusual circumstances like a presidential/superintendent search. The transportation budget is very restricted. They will try to move toward meetings in as compact a time as possible. Staff will attempt to allocate more to the budget as the year progresses.

Regent Williams said it will be very difficult to have meetings in areas that are off campus because the transportation costs are so high.

Regent Fitzgibbon suggested there were other items that could be eliminated in order to maintain the policy of going to other places around the state as they have been. He felt the Regents could help with the budget problems and suggested that some day they have a discussion regarding that. Mr. Richey said he welcomed any suggestions the Regents have.

**MOTION:**

Regent Greig moved to approve the preliminary Board Office budget for fiscal year 1990 in the amount of \$1,106,715 and, further, that supplemental reimbursements by the institutions up to \$7,500 be authorized for fiscal year 1989. Regent Furgerson seconded the motion, and it carried unanimously.

**BOARD OFFICE SPACE.** The Board Office recommended that the Board allocate the cost of relocation of the Board Office of \$65,500 among the institutions as follows:

University of Iowa	\$25,000;
Iowa State University	\$25,000;
University of Northern Iowa	\$12,500;
Iowa School for the Deaf	\$ 2,000; and
The Iowa Braille and Sight Saving School	\$ 1,000.

The Board of Regents Office is to be relocated to the west wing of the first floor of the old Historical Building by June 30, 1989. The total net square feet for the new office is 6,700. The estimated cost of relocation amounts to \$189,600 of which \$10,500 is for moving expense.

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The State Department of General Services would assume responsibility for about two-thirds of the cost. Its share would include all of the construction costs including lighting, electrical work, air conditioning and heating.

The Board of Regents is expected to pay what are termed "finishing costs" and moving expenses. The finishing costs include carpeting, window treatment including venetian blinds, costs of installing telephone/computer system wiring and the cost of the move itself. The Department of General Services would be responsible for that part of "finishing costs" relating to painting and refinishing the ceilings and walls. The Board of Regents would also be responsible for purchasing any office dividers that are necessary. The estimated cost of such dividers is \$10,000, which assumes the state discount. The estimated cost of carpeting assumes a substantial discount beyond that included in the estimate transmitted to the Board Office.

Mr. Richey said it was his belief that if the Board paid the moving expense and most of the "finishing costs" at a cost of \$65,500 that this space can be adequately renovated so that the move can take place. All of the institutions except Iowa State University have proposals for substantial increases in their budget ceilings for the current fiscal year, which reflects unanticipated income. The institutions propose to utilize these funds for non-recurring purposes. The funds utilized for the Board of Regents offices would also be non-recurring.

It is not anticipated that the institutions will need to participate in the operating budget costs for the Board Office for fiscal year 1990. The only exceptions would be for unusual or unanticipated occurrences such as the cost of a search for an institutional head.

Regent Williams asked how much more space staff would have in the new area. Mr. Richey said there would be 2,500 additional square feet as well as adequate storage space. He expected staff to be very pleased with it.

Regent Furgerson asked if there was anyone in there now. Mr. Richey said there was not. Regent Fitzgibbon noted that the state library would like to have the space.

Mr. Richey noted that Regent Fitzgibbon has been extremely helpful to staff in this moving effort. Nothing happened at all until he brought the subject up very directly.

Regent Fitzgibbon said he felt it would probably be the nicest space in the state complex when they are finished. He said it was alright with him if they have to spend more than \$65,000 to do the job right.

Chairman Tyler said he agreed. It is a cramped situation in the present office, and the move should improve the efficiency.

MOTION: Regent Berenstein moved to allocate the cost of relocation of the Board Office of \$65,600 among the institutions, as presented. Regent Hatch seconded the motion, and it carried unanimously.

Regent Fitzgibbon added a caution that \$65,000 is not a lot of money when starting to remodel. He felt they should keep that in mind because there may be something more they may need.

Mr. Richey said the staff knows that and are very concerned. They are also deeply grateful to Iowa State University and Vice President Madden for loaning the Board Office an architect and interior designer to work on the project.

Chairman Tyler said the dialogue with General Services should continue.

APPOINTMENTS. The Board Office recommended the Board approve the appointments, as follows:

<u>POSITION</u>	<u>ORGANIZATION</u>	<u>EXPIRES</u>	<u>APPOINTMENT</u>
1. Re-Appoint	Iowa Coordinating Council for Post-High School Education	7/31/93	<u>Curris</u>
2. Member	Iowa Coordinating Council for Post-High School Education (for VanGilst)	7/31/92	<u>Hatch</u>
3. Alternates (3)	Iowa Coordinating Council for Post-High School Education (alternate for Williams)	7/31/92	a) <u>Westenfield</u>
	(alternate for Greig)	7/31/92	b) <u>Fitzgibbon</u>
	(alternate for Hatch)	7/31/92	c) <u>Berenstein</u>
4. Member	Iowa Public Broadcasting Board (replace Duchon)	6/30/91	<u>Furgerson</u>
5. 2 Members	Regent Ad Hoc Banking Committee (replace Duchon)		a) <u>Hatch</u>
	(replace VanGilst)		b) <u>Berenstein</u>
6. Member	SUI Research Foundation (replace Harris)	9/30/93	<u>Williams</u>

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<u>POSITION</u>	<u>ORGANIZATION</u>	<u>EXPIRES</u>	<u>APPOINTMENT</u>
7. Member	ISU Achievement Foundation Board of Directors (replace Duchon)	1992	<u>Berenstein</u>
8. Member	ISU <u>Alumni</u> Achievement Fund Board of Trustees (replace VanEkeren)	7/30/90	<u>Greig</u>
9. Member	ISU Research Foundation Board of Directors (replace Duchon)	6/30/90	<u>Fitzgibbon</u>
10. Member	ISU Memorial Union Board of Directors (replace VanEkeren)	7/31/92	<u>Westenfield</u>
11. Member	UNI Foundation Board of Board of Directors (replace Harris)	6/30/90	<u>Furgerson</u>

**MOTION:**

Regent Hatch moved to approve the appointments, as presented. Regent Westenfield seconded the motion, and it carried unanimously.

**APPEAL OF STUDENTS.** The Board Office recommended that the Board not grant the request of two students for review of a final institutional decision at the University of Northern Iowa.

The two students were suspended by the university for their actions on the night of October 24, 1988. The students acknowledged that they were attempting to break into an automobile parked on campus property by using a torch on the window of the car. The students are alleged to have acknowledged their purpose was to steal a radar detector.

As a part of the university's disciplinary policy the students were afforded the opportunity to present their case at a hearing. The students chose separate hearings and the hearing officers rendered different decisions.

During the pendency of the hearing processes the students were permitted to continue in school and to take finals knowing that they may lose their grades if the hearing officers decided against them.

The hearing officers reached different conclusions based on the facts. The university appealed the decision of the hearing officer who had recommended

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disciplinary measures which would have permitted the student to return for the second semester.

When the hearing process was concluded and all institutional appeals completed, the students were suspended without grades from the fall semester, 1988.

The students and their parents acknowledge what the students did was wrong. They believe that the university did not treat the students fairly. They believe that the students should be given credit for the courses they took and passed. They believe the university should have given great weight to the character references which were provided for each of the students by friends, former teachers, educators and others with a long familiarity with the students. They also believe the hearing process was flawed by inconsistencies in the testimony of university security officers and that the students were led to believe it would go better for them if they cooperated with security officers. They note particularly that the criminal justice system did not deal as harshly with either student as did the university. In support of this latter contention the Board received a letter from Judge Van Metre expressing support for the student whom he had given a probationary sentence and expressing concern for "retro-active" punishment depriving the student of grades he earned. They also raise an issue of comparability of the disciplinary action these students received with the disciplinary action received by others at the university.

University officials consider that there was not retroactive punishment in this matter. The students' suspensions were from the date of their action in violation of conduct codes. The students had a right to appeal conferences and opted to stay in school and take finals during the appeal process. The university distinguishes the facts which the students believe show a pattern of inconsistent discipline by noting that these students had secured tools for the purpose of breaking into the cars and had planned this offense. The case cited by these students as comparable to their case resulted from two inebriated students breaking a window and stealing a lemon on their way back from a drinking establishment near campus. The university believes this latter case not to be pre-meditated. The university believes that it has an obligation to enforce its code of conduct and discipline students relative to the university apart from the judicial process in the community at large. University officials noted that Regent-approved rules do not permit a student to receive grades while under suspension.

Director Wright said it was important to note that the Board Office has not completed a review of the record equivalent to an administrative hearing on this matter. Based upon the facts staff recommended that the Board not grant the request of the students for a hearing before the Board. The students could then seek judicial review as provided by law.

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Board members had before them a set of CONFIDENTIAL exhibits provided by the students and the university.

**MOTION:** Regent Williams moved that the Board not grant the request of two students for review of a final institutional decision at the University of Northern Iowa. Regent Hatch seconded the motion, and it carried unanimously.

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

June 21-22	Iowa State University	Ames
July 25-26	University of Iowa	Iowa City
August	NO MEETING	
September 20-21	University of Northern Iowa	Cedar Falls
October 18-19	University of Iowa	Iowa City
November 15-16	Iowa State University	Ames
December 13-14	(To Be Designated)	Des Moines
January 17-18, 1990	Iowa State University	Ames
February 14-15	(To Be Designated)	Des Moines
March 13-14	University of Northern Iowa	Cedar Falls
April 11-12	University of Iowa	Iowa City

Regent Greig expressed concern that the February, March and April 1990 meetings were not scheduled for the third Wednesday of the month. Mr. Richey said that would be corrected in the next meetings schedule. Regent Fitzgibbon asked that those changes be sent out soon so the Regents can change their calendars.

President Curris noted that if they move the March 1990 meeting to the following week, the University of Northern Iowa cannot host the meeting.

Regent Greig said meeting at Lake Okoboji is expensive. He asked that when they meet there it should be a special type of meeting, such as a retreat which has been discussed in the past. He felt their money would be better spent somewhere else.

**ACTION:** Chairman Tyler stated the meetings schedule was received by general consent.

Chairman Tyler then asked Board members and institutional executives if there were additional general or miscellaneous items for discussion.

Regent Fitzgibbon stated that three to four months ago he requested a report on security on the campuses. He has since been told there hasn't been time

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enough to get these reports. He would like to have this item on the next agenda. Chairman Tyler said the request was so noted. Mr. Richey said staff was requested by one of the universities to hold on docketing this item because the university's report could not be ready in time.

## STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, May 24, 1989.

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

- (1) Register of Personnel Changes for March and April 1989.
- (2) Approval of promotion and tenure actions for 1989-90.

**ACTION:** Chairman Tyler stated the Board approved the personnel transactions as a consent item.

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

### PERMISSION TO PROCEED WITH PROJECT PLANNING

#### Power Plant Energy Optimization--Energy Management Controls Project

There are several variables involved in operating and maintaining a multi-source, multi-use energy system reliably and efficiently. These variables include utility rate schedules, equipment operating limits, purchase power contract limitations, steam production costs, and many others. In recognition of the potential for improvements in systems reliability and efficiency, university officials applied for and received an energy conservation grant from the Exxon reimbursement program for an energy optimization study. The results of that and supplemental studies represent the basis for this proposed project.

The present replacement power contract with Iowa-Illinois Gas and Electric Company terminates December 31, 1989. That contract limits the effective utilization of the university's electrical generation capacity. The university currently purchases 77 percent of the campus electrical requirements and generates 23 percent of the electrical requirements. However, the university has the capacity to generate 85 percent of the electrical requirements. At the time of execution of the replacement power contract in 1984, the university had only one coal-fired source of high pressure steam for effective cogeneration of steam and electricity. The remaining sources of high pressure steam were gas/oil-fired with considerably higher fuel costs. With the incremental cost of generating electricity relatively high, purchasing power from the utility company was the more economical approach.

With new coal-fired Boiler No. 11 operational and the average cost of fuel considerably lower, the economic advantage swings to increased generation at near capacity. Cost savings are estimated to be in excess of \$1 million annually.

The projected savings in energy costs will serve as a basis for financing the project through debt placement of the university utility enterprise. University officials will work with the Board Office in identifying alternate sources of debt financing and will present a proposed financing plan for consideration at the June Board meeting. Until such time that financing arrangements are completed, planning and related costs would be covered by advances from utility enterprise renewal and replacement funds.

The total project cost is estimated to be in the range of \$3.8 million to \$4.0 million.

#### Pharmacy Building Addition--Phase I

Subject to receipt of final funding authorization, university officials sought permission to proceed with planning for the Pharmacy Building Addition. The Pharmacy Building Addition will provide badly-needed expansion space for the extremely productive research programs of the College.

It is expected that the addition will contain approximately 78,740 gross square feet. Under the phasing plan approximately two-thirds of the building would be finished under Phase I and the remainder would consist of shell space to be finished in Phase II. The planning and construction budget for Phase I totals \$11.2 million.

#### MacLean Hall--Remodeling and Renewal

Subject to receipt of final funding authorization, university officials sought permission to proceed with the planning for the remodeling of MacLean Hall. The project will result in the remodeling of a series of obsolete and underutilized spaces in MacLean Hall. The spaces will be remodeled into a computer cluster, departmental offices for the three departments housed in the building (Mathematics, Statistics, and Computer Science), and faculty offices and classrooms. With the exception of the computer cluster, the remodeling will be general in nature and of use to any program with only general space needs such as offices and classrooms. The project is the first in a series with the objective of the improvement of facilities for undergraduate instructional programs.

The project will include the remodeling of space on the south end of the first floor, the center section of the ground floor, and three areas on the third floor. The project budget is \$1,275,000. Approximately 14,000 net square feet of occupied space and 1,300 net square feet of corridor space will be remodeled. With the exception of one area on the third floor, the building is

fully occupied. This will require that the work occur in a series of smaller projects with the occupants being moved around the building as work progresses.

Academic Building

Subject to receipt of final planning funding authorization, university officials sought permission to proceed with the planning for the Academic Building. The Academic Building will house the College of Business Administration and a number of classrooms to serve the undergraduate programs of the university. The project will incorporate structure parking to replace the surface parking now located on the proposed building site, the square block on which Gilmore Hall is located.

It is expected that the building will contain approximately 168,000 gross square feet and parking for approximately 210 cars. The planning budget for the project totals \$32.1 million. This sum includes approximately \$4.2 million for movable equipment and \$1,250,000 for utility connections. Funding sources and amounts anticipated include an appropriation or academic bonding authority for \$23.1 million, parking system revenues of \$2,250,000, and the balance in gifts to the university. Since the university only received authorization for \$1 million for fiscal year 1990 for project planning, it is anticipated that the remaining \$22.1 million will be requested for fiscal year 1991.

PROJECT DESCRIPTIONS AND BUDGETS

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

Install Fire Alarm Systems--Various Buildings \$560,625

Preliminary Budget

Design, Inspection and Administration	\$ 67,275
Construction	448,500
Contingency	<u>44,850</u>
TOTAL	<u>\$560,625</u>
Source of Funds: Fiscal Year 1989 Supplemental	
Capital Appropriation	\$500,000
General University Building	
Repairs	<u>60,625</u>
TOTAL	<u>\$560,625</u>

This project will consist of the installation of automatic fire alarm systems in three university buildings: the University Library, Phillips Hall, and the

English-Philosophy Building. This project will also replace the obsolete alarm systems in Hancher Auditorium and the Music Building.

This project will utilize recently-appropriated funds for fire and environmental safety, which will revert if not encumbered by June 30, 1989. Because of the short time frame, university officials requested that the Executive Director be authorized to approve design agreements which would normally require Board approval.

University officials presented revised budgets on the following projects.

University Hospitals and Clinics--Psychiatric Pavilion Replacement Facility--  
Phase C

Source of Funds:	University Hospital	Original Budget	<u>\$12,124,222</u>
	Building Usage Funds	Revised Budget	<u>\$12,485,577</u>

Revised Budget

	Original Budget <u>Sept. 1988</u>	Revised Budget <u>May 1989</u>
Construction	\$10,145,793	\$10,971,103
Architectural and Engineering	659,476	782,151
Planning and Supervision	304,374	262,885
Contingency	<u>1,014,579</u>	<u>469,438</u>
TOTAL	<u>\$12,124,222</u> -----	<u>\$12,485,577</u> -----

University Hospitals and Clinics officials requested the budget for this project be increased by \$361,355 to reflect the most recent construction estimate. Based on a review of the bids received to date for Phases A and B (clinic wing construction) and the Phase C shell, and after further analysis of the work to be bid, the design architects, Hansen Lind Meyer, revised their design estimate for the Phase C project. University officials reviewed this estimate and believe it to be reasonable. The budget increase will be funded by the University Hospitals building usage funds.

<u>Currier Hall--Replace Secondary Wiring</u>	Original Budget	<u>\$411,700</u>
Source of Funds: Dormitory Improvement Reserves	Revised Budget	<u>\$451,256</u>

Revised Budget

	Original Budget <u>April 1989</u>	Revised Budget <u>May 1989</u>
Design, Inspection and Administration	\$ 52,000	\$ 52,000
Construction	327,000	374,256
Contingency	<u>32,700</u>	<u>25,000</u>
TOTAL	\$ 411,700 -----	\$ 451,256 -----

The three bids received for this project were in excess of budgeted funds. Inasmuch as the work is to occur in a residence hall and is limited to the time when rooms are unoccupied, it was necessary to request that the Executive Director approve the award of the contract to the low bidder with the understanding that the Board would be requested to approve a budget adjustment at the May meeting.

\* \* \* \* \*

University officials presented seven new projects with budgets of less than \$200,000 that will be initiated in the coming months. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university. Included is the President's Residence Site Development--Phase I, in the amount of \$98,250.

\* \* \* \* \*

ARCHITECT/ENGINEER AGREEMENTS

Power Plant Energy Optimization--Energy Management Controls Project \$290,000  
ZBA, Inc., Iowa City, Iowa

University officials recommended the selection of ZBA, Inc., of Iowa City, Iowa, as the design engineer for this project (three firms were interviewed). An agreement has been negotiated which provides for a fixed fee of \$280,000. Reimbursables have been set at \$10,000. The agreement is in the standard form and provides for final design and contract administration services through completion of the project.

Amendments to four project contracts and five new project contracts were approved as part of the capital registers.

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

Oakdale Campus--Agricultural Medicine Research Facility--  
Research Laboratory Renovation--Electrical Construction  
Advanced Electrical Services, Inc., Iowa City, Iowa

Oakdale Campus--Agricultural Medicine Research Facility--  
Research Laboratory Renovation--General Construction  
Larson Construction Company, Inc., Independence, Iowa

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

Regent Fitzgibbon asked if funds received from the legislature at this time for this fiscal year have to be used prior to July 1. Director Eisenhauer responded that they have to be encumbered by June 30.

**LEASE OF PROPERTY.** The Board Office recommended that the Board approve leases, as follows:

With EDUCATIONAL CONCEPTS, LTD. for their use of approximately 918 square feet of office space (Rooms No. 5, 219 and 221) in the Technology Innovation Center (TIC) at the Oakdale Campus, for a period of six months commencing June 1, 1989, and ending November 30, 1989, at a monthly rental of \$765.

Director Wright stated the Board would be receiving a presentation on another sublease from University of Iowa officials which the Board Office had reviewed. The Board Office concurs with that request.

President Rawlings stated that the university has an outstanding opportunity to develop a research program with the Howard Hughes Medical Institute. The university's proposed collaboration with the Howard Hughes Medical Institute contains provisions for the sublease of a portion of the Human Biology Research Facility building.

University officials requested to make a portion of the Human Biology Research Facility available for sublease to the Howard Hughes Medical Institute, a non-profit corporation which funds and conducts biomedical research, as part of a broader collaboration proposal. The proposal would provide for the joint conduct of medical research at the university. Funding of the research effort by the Hughes Institute was recommended to include compensation to the university for the sublease of physical space and compensation for services used by the Hughes Institute researcher and his support staff in conducting

the research. In exchange for the funding, the university would provide research space for the term of the agreement.

The initial term of the collaboration would be seven years with provisions for renewal. Included would be the sublease of 3,472 assignable square feet of office and laboratory space to be located on the third floor of the Human Biology Research Facility building.

The Hughes Institute would be charged an occupancy fee. The proposal calls for the occupancy fee to be comprised of fixed and variable cost components. The fixed component was negotiated based upon the debt service schedule for the bonds which finance the facility. The variable component was negotiated based on annual custodial, utilities, maintenance, operating and security services; and insurance, renewal and replacement costs, all of which are proposed to be adjusted annually.

President Rawlings stated the sublease is a tribute to Dean Eckstein.

Dean Eckstein said Professor Donaldson, the Hughes Institute researcher, is a very fine, accomplished scientist. He is a molecular biologist working on tropical diseases as well as other parasitic organisms. University officials are very pleased that they will be associated with Dr. Donaldson.

Regent Berenstein asked to be provided with the Board's standard lease form for future reference.

**MOTION:**

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

AYE: Berenstein, Fitzgibbon, Furgerson,  
Greig, Hatch, Tyler, Westenfield, Williams.

NAY: None.

ABSENT: Pomerantz.

**OAKDALE EMPLOYEES BUILDING - RAZE BUILDING.** The Board Office recommended the Board approve the razing of the Oakdale Employees Building.

University officials requested permission to remove and dispose of the Oakdale Employees Building. The building, which contains 16,180 gross square feet of space, was constructed in 1910 for the purpose of housing employees of the old Oakdale Sanatorium. It has been used as an apartment building and dormitory since the university took possession of the Oakdale Campus in 1965. The building has been vacant the past year and has reached the end of its useful life. Last fall the university retained Pierce King Associates to evaluate the feasibility of renovating the building for other uses. The poor condition and age of the structure dictated that renovation would require replacement of

all heating, plumbing and electrical wiring. The project would also require installation of new entrances, stairways, and a new elevator. The estimate for the renovation was set at \$881,000, which translates to roughly \$96 per gross square foot. This figure is close to costs associated with the construction of new comparable space.

The estimated cost to raze the building is \$80,000.

Chairman Tyler asked if university officials took bids for this project. Vice President Phillips said they did.

**MOTION:** Regent Williams moved to approve the razing of the Oakdale Employees Building. Regent Furgerson seconded the motion, and upon the roll being called, the following voted:  
AYE: Berenstein, Fitzgibbon, Furgerson, Greig, Hatch, Tyler, Westenfield, Williams.  
NAY: None.  
ABSENT: Pomerantz.

**RESEARCH PARK - REPORT ON PROPOSED LEASING ARRANGEMENTS.** The Board Office recommended that the Board (1) receive the university's report on space requirements for the College of Medicine; (2) authorize the university to proceed with planning for space for research activities of the College of Medicine at the Oakdale Research Park; and (3) authorize the university to negotiate a lease for such space subject to approval by the Board of Regents.

The College of Medicine needs additional space for research projects funded by external grants. The College presently anticipates that it may need as much as 33,000 to 35,000 gross square footage for this purpose.

In designing a multi-tenant building for the Oakdale Research Park the university would like to consider a facility that would provide space for some of the research activities of the College of Medicine.

University officials sought authorization from the Board to pursue this lease arrangement and authority to negotiate a lease subject to approval by the Board.

Vice President Phillips stated that university officials were bringing this matter to the Board in two stages.

Vice President Vernon said there is a major need for laboratory space for research for the medical school. He introduced Dean Eckstein.

Dean Eckstein said space is a very critical issue for the College of Medicine. They have to compete with a number of east and west coast institutions for research dollars. In order to do that they have to have very high quality

faculty. He said the second floor of the Human Biology Research Facility houses the administration of the College of Medicine as well as other administrative units. An additional 26,000 square feet will be occupied by super core facilities, leaving 40,000 square feet to be assigned. He said when university officials presented the need for the Human Biology Research Facility several years ago they informed the Board that it was necessary to find ways to develop high technology. Last fall the university received a \$5 million gift to help attract senior scientists. They expect to hold half the assignable space for that building to attract senior scientists from outside the state. He noted that they are doing very well in competing with other schools. He added that research income has gone up considerably. In 1982-83 it was \$34 million; in 1987-88 it amounted to \$66 million, and 1988-89 will be a banner year. He said that is the kind of productivity the faculty is able to provide. On the average they are generating \$277/square foot of research space/year in research funds.

Dean Eckstein said university officials have been able to keep three very senior and credible scientists although they still need to continue to recruit. He said the environment at the university has changed. They are not losing faculty. They now need to get a short-term solution to some problems.

Chairman Tyler thanked Dean Eckstein for coming from Iowa City to Atlantic for this meeting.

Regent Fitzgibbon said they are dealing with a developer. He asked if university officials are sure that the developer has credibility. They should be on record as always dealing with that and there should be evidence of credibility.

Vice President Phillips stated that when university officials bring the lease to the Board for approval they can bring other specific information.

Treasurer True said the developer has a great deal of experience. It has worked on wet laboratory space for the university for a number of years. University officials have as much confidence in them as anyone.

**ACTION:**

Regent Fitzgibbon moved to (1) receive the university's report on space requirements for the College of Medicine; (2) authorize the university to proceed with planning for space for research activities of the College of Medicine at the Oakdale Research Park; and (3) authorize the university to negotiate a lease for such space subject to approval by the Board of Regents. Regent Berenstein seconded the motion, and it carried unanimously.

President Curris asked Chairman Tyler if he could now introduce the new President of the Student Body at the University of Northern Iowa, David M. Boyer. Mr. Boyer is a senior in Management/Business Administration from Des Moines.

President Rawlings stated that University of Iowa students recently elected five officers. He introduced the following Collegiate Associations Council officers: Prasanta Reddy, treasurer; Jerry Miller, executive associate; and Chris Anderson, executive associate. President Rawlings introduced the following Student Senate officers: Pepe Rojas-Cardona, president, and Jenö Berta, vice president.

**BUDGET CEILING ADJUSTMENTS - 1988-89. (a) General Education Fund.** The Board Office recommended the Board approve an increase of \$3,000,000 in the 1988-89 general education fund budget to reflect additional income and expense.

Vice President Phillips stated the increase will largely be used to cover non-recurring deficits in several areas.

Chairman Tyler recalled that three to five Board meetings ago there was discussion about student health policies. The proposals were not met with great enthusiasm. He questioned what university officials are looking at down the road to address this problem.

Vice President Phillips stated that University of Iowa officials proposed a mandatory student fee to cover the cost of health services because there are deficits in health service operations. A Board of Regents committee has been examining the advocacy of the student health issue. A health fee is to come before and be considered by the Board again. The concern university officials have is that the cost of student health services has outstripped its budget.

Regent Williams asked if university officials were requesting this as a one-time effort. She noted that next year, if the Board approves a mandatory student fee, there should not be a deficit. Vice President Phillips cautioned that they may have deficits for one more year.

Regent Fitzgibbon asked that when this issue comes before the Board again the Board members have the materials far enough in advance to allow adequate consideration of the information. He said student health is a very important issue. If they are going to move into the area of having a fee for student health, that information should be part of the documents students are given when they visit the campus. Regent Williams stated that when the committee did the study that was part of its recommendation.

**MOTION:**

Regent Berenstein moved to approve an increase of \$3,000,000 in the 1988-89 general education fund budget to reflect additional

income and expense. Regent Williams seconded the motion, and it carried unanimously.

Regent Hatch asked if student health services are separate from University of Iowa Hospitals and Clinics. Regent Williams responded that they were.

Regent Fitzgibbon cautioned that they needed to give this issue a lot of thought when it again comes before the Board. Mr. Richey said this issue is scheduled for the Board to consider in September and October during its consideration of tuition and fees. The decision was made not to increase fees for fiscal year 1990.

(b) University Hospitals and Clinics. The Board Office recommended the Board approve a budget ceiling increase for fiscal year 1989 of \$769,000 for the University of Iowa Hospitals and Clinics.

Significant increases in numbers of patients being referred to the University of Iowa Hospitals and Clinics as well as their clinical complexity has resulted in \$769,000 of additional paying patient revenue. The additional revenue will be used for plant operations and maintenance, \$536,100, and for medical and surgical supplies and purchased services, \$232,900.

Mr. Yerington said the funds will be used to expand primarily in plant operations and maintenance. The remainder of funds will be used for respiratory therapy supplies.

MOTION: Regent Berenstein moved to approve a budget ceiling increase for fiscal year 1989 of \$769,000 for the University of Iowa Hospitals and Clinics. Regent Williams seconded the motion, and it carried unanimously.

(c) Oakdale Campus. The Board Office recommended the Board approve a fiscal year 1989 budget ceiling increase of \$125,000 in the current fiscal year.

Approximately \$85,000 of the increase is due to additional rental revenue from Technology Innovation Center tenants and Oakdale rental properties. The remaining \$40,000 is the result of increased revenues from cafeteria sales. The entire \$125,000 of additional revenue will be spent to replace windows on the Oakdale campus.

MOTION: Regent Williams moved to approve a fiscal year 1989 budget ceiling increase of \$125,000 in the current fiscal year. Regent Furgerson seconded the motion, and it carried unanimously.

**PRELIMINARY BUDGET SUMMARIES - FISCAL YEAR 1989-90. (a) General Education Fund - General University.** The Board Office recommended the Board approve a fiscal year 1990 preliminary general educational fund budgets for the general university of \$254,174,366.

The proposed general university operating budget of \$254,174,366 represents an increase of 8.8 percent over the fiscal year 1989 operating budget.

The fiscal year 1990 proposed operating budget for all appropriated units is \$502.6 million of which \$212.5 million, 42 percent, is from state appropriations.

Chairman Tyler asked about the university's efforts to address undergraduate education and the distribution of excellence in teaching funds.

President Rawlings stated that for next year university officials plan to hire 15 to 20 faculty members to offer general education courses needed by students to graduate. About \$750,000 is going to the College of Liberal Arts and \$150,000 to the College of Business for that purpose. He said the student body has grown. This \$900,000 will not allow them to make up that gap. In regard to the excellence in teaching funds, President Rawlings said university officials have developed a process in each college to identify faculty members who have done especially well. The college will compete with other colleges university-wide. He noted that \$50,000 must be spent this year on one-time bonus awards.

Regent Berenstein stated that when he was in Iowa City for orientation, he asked how university officials made up the salaries in the medical school. He asked if university officials were working on that project. President Rawlings said they were.

President Rawlings said university officials see the dollars for minority recruitment and retention as vital. It is also terribly important in the message it sends. He said he was happy to report that this year they are hiring far more minorities than they have in previous years.

**MOTION:** Regent Williams moved to approve a fiscal year 1990 preliminary general educational fund budgets for the general university of \$254,174,366. Regent Berenstein seconded the motion, and it carried unanimously.

**(b) University Hospitals and Clinics.** The Board Office recommended the Board  
(1) Approve the fiscal year 1990 preliminary budgets for the following budget units:

University of Iowa Hospitals and Clinics	\$220,973,000
Psychiatric Hospital	11,373,700
Hospital School	6,341,700
Hygienic Laboratory	4,030,800
Specialized Child Health Services	593,800

(2) Approve the fiscal year 1990 proposed rate increases, as follows:

University Hospitals	5.0 percent
Psychiatric Hospital	9.0 percent
Hospital School	9.0 percent

The additional revenue from the rate increase, productivity increases and state appropriations will allow the Hospitals and Clinics to provide salary increases, open new buildings and maintain the medical technology and supplies necessary to meet the needs of the complexity of patients being served.

The proposed preliminary operating budget for the University of Iowa Hospitals and Clinics for fiscal year 1990 is \$221 million. This is an increase of 10.6 percent above the fiscal year 1989 revised budget. Hospital officials requested approval of a 5 percent rate increase.

The preliminary operating budget for the Psychiatric Hospital for fiscal year 1990 is \$11.4 million. This is an increase of 7.3 percent over the revised fiscal year 1989 budget. The Psychiatric Hospital officials requested approval of a 9 percent rate increase.

The preliminary operating budget for the University of Iowa Hospital School for fiscal year 1990 is \$6.3 million. This is an increase of 6.2 percent over the fiscal year 1989 budget. Hospital School officials requested approval of a 9 percent rate increase.

The University of Iowa Hygienic Laboratory preliminary operating budget for fiscal year 1990 is \$4.0 million. This is an increase of 6.4 percent over the fiscal year 1989 budget.

The preliminary operating budget for the Specialized Child Health Services (Cancer, Hemophilia) is \$593,800. This is an increase of 7.2 percent over the revised fiscal year 1989 budget.

MOTION:

Regent Hatch moved to approve the fiscal year 1990 preliminary budgets and to approve the fiscal year 1990 proposed rate increases, as presented. Regent Furgerson seconded the motion, and it carried unanimously.

(c) Oakdale Campus. The Board Office recommended the Board approve a preliminary operating budget for fiscal year 1990 of \$3,354,756 for the University of Iowa Oakdale Campus.

The Oakdale Campus preliminary budget for fiscal year 1990 is \$3,354,756. This is an increase of \$197,644, or 6.3 percent, from the revised fiscal year 1989 budget. State appropriation growth is \$222,644 but rental income is expected to decrease by \$25,000. Most of the increase is for salary expenditures, a 6.8 percent increase or \$122,257. Non-salary expenditures will increase by 5.6 percent or \$75,387.

MOTION: Regent Berenstein moved to approve a preliminary operating budget for fiscal year 1990 of \$3,354,756 for the University of Iowa Oakdale Campus. Regent Williams seconded the motion, and it carried unanimously.

(d) Family Practice Program. The Board Office recommended the Board approve the fiscal year 1990 preliminary budget of \$1,758,947 for the Family Practice Program.

The fiscal year 1990 preliminary budget of \$1,758,947 is \$138,687 over the revised 1989 fiscal year budget, an 8.6 percent increase. The entire increase is the result of increased appropriations and will be used exclusively for salary increases.

MOTION: Regent Berenstein moved to approve the fiscal year 1990 preliminary budget of \$1,758,947 for the Family Practice Program. Regent Williams seconded the motion, and it carried unanimously.

Chairman Tyler 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, May 24, 1989.

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

1. Register of Personnel Changes for April 1989 including early retirements, as follows:
  - a. SHERRY A. HOOPES, Assistant Professor, Speech Communication, retiring May 20, 1989, will have a total cost of \$36,666 for incentives, and the college will use the cost savings for faculty replacement and reallocation.
  - b. WILLIAM D. LONG, Maintenance Supervisor, Athletic Department, retiring May 26, 1989, will have a total cost of \$27,331 for incentives, and the department will use the cost savings for staff replacement and reallocations.
  - c. WILLIAM R. LOCKHART, Professor, Microbiology, retiring May 20, 1989, will have a total cost of \$29,855 for incentives, and the college will use the cost savings for faculty replacement and reallocations.
2. Approval of promotion and tenure actions for 1989-90.

**ACTION:** Chairman Tyler stated the Board ratified the personnel transactions as a consent item.

**APPROVAL OF ADMINISTRATIVE APPOINTMENTS AND REAPPOINTMENTS.** The Board Office requested that the Board approve the following appointments:

- 1) DR. DAVID F. BRIGHT as Dean of the College of Sciences and Humanities and Professor of Foreign Languages and Literatures effective July 1, 1989, at an annual salary of \$98,000;
- 2) LARRY H. EBBERS as Professor and Chair of Professional Studies in Education effective July 1, 1989, through July 31, 1994, salary \$66,700 (1988-89 salary);
- 3) THOMAS D. WEIBLE as Professor and Chair of Elementary Education effective July 1, 1989, through July 31, 1994, salary \$64,200 (1988-89 salary); and

- 4) D. KEITH WHIGHAM as Interim Director of International Affairs and World Food Institute, effective April 24, 1989, through June 30, 1990, at an annual salary of \$71,690.

President Eaton presented the following supplemental appointment:

OSCAR J. FLETCHER, JR., as Dean of the College of Veterinary Medicine and Professor of Veterinary Pathology, effective July 1, 1989, salary \$105,000.

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

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

PROJECT DESCRIPTIONS AND BUDGETS

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

Applied Sciences Center--Auditorium \$585,000

Preliminary Budget

Contract	\$ 410,000
Design Services	45,190
Construction Administration	20,000
University Services	15,000
Miscellaneous	5,000
Landscaping	20,000
Art Work	2,925
Building Automation	20,000
Telecommunications	5,000
Reserved for Future Contracts and Contract Changes	<u>41,885</u>

TOTAL \$ 585,000

Source of Funds: National Institute of Standards and Technology Grant (NIST)	\$ 450,000
Pending National Institute of Standards and Technology Grant (NIST)	<u>135,000</u>

TOTAL \$ 585,000

In the planning for Phase I of the Applied Sciences Center--Center for New Industrial Materials an auditorium was included and was bid as an alternate. For budgetary reasons the alternate was not accepted. Since that time the National Institute for Science and Technology has awarded the university a grant to be used, in part, for the construction of an auditorium/display laboratory of approximately 5,200 square feet. This auditorium/display laboratory is a greatly expanded version of the originally-programmed auditorium space of 2,450 square feet.

Utilities--PCB Abatement \$240,000

Source of Funds: Fiscal Year 1989 Supplemental Appropriation

Preliminary Budget

Contracts	\$ 176,000
Design Services	18,000
University Services	22,000
Miscellaneous	500
Reserved for Future Contracts and Contract Changes	<u>23,500</u>
 TOTAL	 \$ 240,000

This project will utilize recently-appropriated funds which will revert if not encumbered by June 30, 1989.

\* \* \* \* \*

University officials presented revised budgets on the following projects.

Applied Sciences Center--Center for New Industrial Materials

Oct. 1988 Budget \$6,072,000  
Revised Budget \$6,322,000

Project Budget

	<u>Budget Approved Oct. 1988</u>	<u>Revised Budget May 1989</u>
Construction Contracts	\$ 3,633,300	\$ 4,383,620
Design Services	558,725	582,475
Construction Administration	124,500	124,500
University Services	90,000	90,000
Miscellaneous	25,000	25,000
Landscaping	20,000	20,000
Utility Extensions		4,000
Fixed Equipment	15,000	15,000
Art Work	30,000	31,610
Building Automation	50,000	61,260
Telecommunications	20,000	20,000
Reserved for Future Contracts and Contract Changes	<u>1,505,475</u>	<u>964,535</u>
<b>TOTAL</b>	<b>\$ 6,072,000</b>	<b>\$ 6,322,000</b>
Source of Funds: Department of Energy Fund	\$ 6,000,000	\$ 6,000,000
Parking Systems	50,000	50,000
Air Force Office of Scientific Research	22,000	22,000
Overhead Reimbursement for Use of Facilities	<u>                    </u>	<u>250,000</u>
	<b>\$ 6,072,000</b>	<b>\$ 6,322,000</b>

This budget has increased \$250,000 from the last approved budget of \$6,072,000 reported in October 1988. University officials now wish to increase the scope of the project to include replacement of windows, repairs to the roof, installation of a security system, and installation of a deionized water system. Overhead reimbursement for use of facilities has been added as a source of funds to cover this additional work.

The objective of the project is to provide space to accommodate the Center for New Industrial Materials, the microelectronics programs, and the non-destructive evaluation research activities of the university.

1989 Institutional Roads Projects--Resurface Various Roads/  
 Pavement Management System

Original Budget \$160,650  
 Revised Budget \$217,250

Project Budget

	Original Budget <u>Dec. 1988</u>	Revised Budget <u>May 1989</u>
Contracts	\$ 115,000	\$ 152,000
Design Services	19,950	45,600
Construction Administration	14,750	2,000
University Services	500	1,000
Miscellaneous	500	1,000
Landscaping	500	1,000
Reserved for Future Contracts and Contract Changes	<u>9,450</u>	<u>14,650</u>
<b>TOTAL</b>	<b>\$ 160,650</b>	<b>\$ 217,250</b>
Source of Funds: 1989 Institutional Roads Funds	\$ 160,650	\$ 160,450
1990 Institutional Roads Funds	<u>          </u>	<u>56,800</u>
	<b>\$ 160,650</b>	<b>\$ 217,250</b>

At the December Board meeting university officials reported two Institutional Roads projects, Resurface Various Roads (1989) and Pavement Management System (1989). University officials wish to combine these two projects into one project which corresponds with the Iowa Department of Transportation/Board of Regents project agreement. Additionally, the fund source is being updated to reflect the funding requirements, per the Institutional Roads program, for the portions of the 1989 Resurface Various Roads project which are to be completed this calendar year.

University officials plan to utilize university staff for the development of the pavement management system.

Utilities--Heating Plant--Turbine Generator No. 5 Repair

Original Budget \$250,000  
 Revised Budget \$1,100,000

Project Budget

	Original Budget <u>June 1987</u>	Revised Budget <u>May 1989</u>
Contracts	\$ 230,000	\$ 900,000
University Services	10,000	9,000
Miscellaneous	1,000	1,000
Reserved for Future Contracts and Contract Changes	<u>9,000</u>	<u>190,000</u>
<b>TOTAL</b>	<b>\$ 250,000</b> -----	<b>\$ 1,100,000</b> -----
Source of Funds: Utility Repairs	\$ 250,000	\$ 250,000
Overhead Reimbursement for Use of Facilities or Building Repair Fund	<u>\$ _____</u>	<u>\$ 850,000</u>
<b>TOTAL</b>	<b>\$ 250,000</b>	<b>\$ 1,100,000</b>

This project was last reported to the Board at the June 1987 meeting. The project involves overhaul of the No. 5 turbine and generator. Turbine Generator No. 5 is a 12.5mw unit installed in 1969 and is one of the main electrical generators for the university. The last overhaul was completed in February 1981, and because of operating hours and unit cycles the unit is due for overhaul. University officials now wish to revise the project budget.

Swine Nutrition and Management Center--Swine Housing

Sept. 1988 Budget \$900,000  
 Revised Budget \$1,054,000

Project Budget

	<u>Budget Approved Sept. 1988</u>	<u>Revised Budget May 1989</u>
Construction Contract	\$ 735,000	\$ 902,300
Design Services	80,000	89,500
Construction Administration	20,000	15,000
University Services	700	700
Miscellaneous	300	1,000
Reserved for Future Contracts and Contract Changes	<u>64,000</u>	<u>\$ 45,500</u>
TOTAL	<u>\$ 900,000</u> =====	<u>\$ 1,054,000</u> =====
Source of Funds: Building Repair Fund\$	900,000	\$ 900,000
(Fiscal Year 1989 Special Appropriation) Fiscal Year 1990 Capital Appropriation\$	<u>                    </u>	<u>\$ 154,000</u>
TOTAL	\$ 900,000	\$ 1,054,000

This budget has increased \$154,000 from the last approved budget of \$900,000 reported in September 1988. As part of the ongoing program for swine facilities improvements, this project budget is being revised to accept alternates 1 and 2 which will extend the length of the building to allow the facility to handle livestock beyond the feeder pig size rather than moving them to other facilities. It is appropriate that this work be included in this project as the added work was to be part of the next phase of improvements and as there are cost savings through contract efficiencies and avoidance of future costs due to inflation.

The university's funding source for this increase is fiscal year 1990 capital appropriations. University officials should be prepared to fund the increase from other university sources since final funding authorization of the Board of Regents appropriation bill is not certain at this time.

Swine Nutrition and Management Center--Feed Preparation  
and Support

Dec. 1988 Budget \$845,000  
Revised Budget \$1,034,500

Project Budget

	Budget Approved <u>Dec. 1988</u>	Revised Budget <u>May 1989</u>
Construction Contract	\$ 655,000	\$ 898,900
Design Services	76,656	73,706
Construction Administration	33,500	15,000
University Services	500	500
Miscellaneous	500	1,000
Movable Equipment	20,000	
Reserved for Future Contracts and Contract Changes	<u>58,844</u>	<u>45,394</u>
TOTAL	<u>\$ 845,000</u> -----	<u>\$ 1,034,500</u> -----

Source of Funds: Building Repair Fund (Fiscal Year 1989 Special Appropriation)	\$ 845,000	\$ 845,000
Fiscal Year 1990 Capital Authorization	<u>                    </u>	<u>189,500</u>
TOTAL	\$ 845,000	\$ 1,034,500

This budget has been increased by \$189,500 from the last approved budget of \$845,000 reported in December 1988. As part of the ongoing program for swine facilities improvements, this project budget is being revised to accept alternates for a feed grinder, hot water heating system, and additional rings on the waste storage tank. It is appropriate that this work be included in this project as the added work was to be part of the next phase of improvements and as there are cost savings through contractor efficiencies and avoidance of future costs due to inflation.

The university's funding source for this increase is fiscal year 1990 capital appropriations. University officials should be prepared to fund the increase from other university sources since final funding authorization of the Board of Regents appropriation bill is not certain at this time.

\* \* \* \* \*

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

\* \* \* \* \*

ARCHITECT/ENGINEER AGREEMENTS

Approval Requested:

Meats Laboratory Addition (Phase I) \$70,000  
Rudi/Lee/Dreyer and Associates, Ames, Iowa  
(Architectural Services)

The schematic design master plan for this project was presented to the Board at the December 1988 meeting and approved at the January 1989 meeting. CH2M Hill, the irradiator consultant, has completed design development work and estimates on the irradiator and the university now has a better idea of the scope of support facilities that can be constructed with the current funding in the Phase I budget of \$6 million.

An agreement has been negotiated with Rudi/Lee/Dryer and Associates to provide design services through the end of the bidding phase for support facilities other than those required for the operation of the irradiator. The agreement includes cost consulting services and coordination of design services performed by CH2M Hill on the irradiator. Compensation will be based on a multiple of direct personnel expense with a fixed maximum of \$70,000, including reimbursables.

Applied Sciences Center--Auditorium \$42,190  
Rudi/Lee/Dreyer and Associates, Ames, Iowa  
(Architectural Services)

University officials requested approval of an agreement with Rudi/Lee/Dreyer and Associates for design services on this project. The agreement provides for a fee not to exceed \$42,190, including reimbursables.

Meats Laboratory Addition (Phase I)  
Utilities--Telecommunications Relocation \$3,750  
Brown Engineering Company, West Des Moines, Iowa  
(Engineering Services)

University officials requested permission to enter into an agreement with Brown Engineering Company of West Des Moines, Iowa. This agreement will provide engineering design services necessary to relocate telecommunications system ductbanks and cable systems to support the Meats Laboratory Addition. This agreement is based on hourly rates with a fixed maximum of \$3,750, including reimbursables. The schematic design master plan for this project was presented to the Board at the December 1988 meeting and approved by the Board at the January 1989 meeting.

Recreation/Athletic Facility--Utilities--Telecommunications \$4,100  
Brown Engineering Company, West Des Moines, Iowa  
(Engineering Services)

The Recreation/Athletic Facility project will construct a 200,000 gross square foot facility which will provide needed indoor activity space for student recreation and intercollegiate athletics.

University officials requested permission to enter into an engineering agreement for the Recreation/Athletic Facility with Brown Engineering Company of West Des Moines, Iowa. This agreement will provide engineering design services that are necessary to install telecommunications service to the new facility. This agreement is based on hourly rates with a fixed maximum of \$4,100, including reimbursables.

The project description and revised budget were approved by the Board in March 1987 and April 1987, respectively.

Heating Plant--Comprehensive Engineering Analysis \$42,620  
Sega, Inc., Des Moines, Iowa  
(Engineering Services)

University officials requested permission to enter into an agreement with Sega, Inc. This agreement will provide for comprehensive engineering analysis, equipment, and certain campus utility distribution systems, where applicable. The agreement provides for a fee not to exceed \$42,620, including reimbursables.

1989 Institutional Roads Projects--Resurface Various Roads/  
Pavement Management System \$36,100  
Brice, Pedrides-Donohue Company, Waterloo, Iowa  
(Engineering Services)

University officials requested approval of an agreement with Brice, Pedrides-Donohue Company as consulting engineer for the contracted surface overlays. The agreement provides for a fee not to exceed \$36,100, including reimbursables.

Amendments:

Gilman Hall Renovations--Phase 2--Stage 2 \$4,000  
Wehner, Pattschull and Pfiffner, Iowa City, Iowa

University officials requested approval of an Amendment No. 5 to the architect agreement with Wehner, Pattschull and Pfiffner of Iowa City, Iowa, for design of the routing and connection of chilled water lines to the northwest wing air handling unit.

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Dairy Industry--Addition and Renovation (Phase 1) \$20,000  
Bussard/Dikis Associates, Des Moines, Iowa

University officials requested approval of Amendment No. 2 to the architectural agreement with Bussard/Dikis Associates to verify the accuracy of drawings and other building system information. Specifically, these services are for on-site verification and documentation of existing mechanical and electrical building systems.

Utilities--Replace Steam Generators No. 1 and 2 \$2,247.70  
Sega, Inc., Stanley, Kansas \$16,788.30

University officials requested approval of Amendments No. 2 and 3 to the engineering agreement with Sega, Inc., of Stanley, Kansas.

The original agreement with Sega, dated January 21, 1987, did not include costs associated with the reproduction and distribution of contract documents. University officials approved Amendment No. 2 in the amount of \$2,247.70 for the added reproduction and distribution costs.

University officials also requested Board approval of Amendment No. 3 for \$16,788.30, which includes additional engineering services provided on the breeching interconnections contract due to a university-requested delay of 17 months, for a redesign due to changed site conditions, and for costs associated with the reproduction and distribution of contract documents for the cleanout conveyor.

Chairman Tyler expressed concern about the request for change orders to the Gilman Hall Renovations, Dairy Industry, and the Utilities projects. Vice President Madden said all of those are phased projects. In all cases university officials have been seeking federal funds. They are expanding the scope of services. Those are not change orders as the result of errors and omissions.

Molecular Biology Building \$23,217  
Hansen Lind Meyer, Inc., Iowa City, Iowa

University officials requested approval of an amendment to the architectural agreement with Hansen Lind Meyer. Review of the final plans for the mechanical systems has resulted in university-requested changes to the construction drawings. The changes required some redesign of systems previously approved by the university. Items being revised include the air handling systems, DDC control systems, chilled water piping, waste recovery piping from heat recovery coils and from the greenhouse, and fume hood alarms. There is no change in the scope of work.

CONSTRUCTION CONTRACTS

Approval was requested for four construction contracts and amendments to one contract.

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

Utilities--Replace Steam Generators No. 1 and 2--Contract #203  
Pyropower Corporation, San Diego, California

Mechanical Engineering/Engineering Science and Mechanics Building--  
Construct Environmental Chamber  
Badding Construction Company, Carroll, Iowa

Black Engineering Building--Fire Suppression System Modifications  
Iowa Fire Equipment Company, Des Moines, Iowa

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

**LEASE OCCUPANCY EXTENSION AGREEMENT.** The Board Office recommended the Board approve leases for the benefit of the university, as follows:

- 1) With UNITED WAY OF CENTRAL IOWA for use by the Extension Service Rural Concern Hotline program in the United Way Human Services Building at Ninth and Enos Streets in Des Moines of approximately 1,027 square feet of space for one year commencing July 1, 1989, at a monthly rental of \$838.72;
- 2) With the COMMITTEE FOR AGRICULTURAL DEVELOPMENT for the College of Agriculture's use of 14 tracts of land in Boone, Johnson, Keokuk, Lucas, and Story Counties (identified in the Memorandum of Understanding) for a period of one year, beginning March 1, 1989, and continuing thereafter unless cancelled by written notice delivered 90 days prior to the anniversary of the Memorandum of Understanding, at a mutually-agreed cash rent not exceeding eight percent of the average value of farmland in the respective counties as established for the previous year by the Iowa Land Value Survey conducted by the Economics Department at Iowa State University with a surcharge not to exceed 25 percent above the agreed rent for parcels containing less than 40 acres;
- 3) With CYGNUS APPLIANCE CORPORATION for their use of approximately 165 square feet of space (Suite 610) in the Iowa State Innovation System (ISIS) Center at the Iowa State University Research Park Corporation building at 2501 North Loop Drive, Ames, for a period of six months, commencing May 1, 1989, at a monthly rental of \$103.13;

- 4) With SPECTROCHROM, LTD. for their use of approximately 514 square feet of space in the ISIS Center located in the Iowa State University Research Park at 2501 North Loop Drive, for a period of two months commencing May 1, 1989 and ending June 30, 1989 at a monthly rental of \$321.25;
- 5) With the MEMORIAL UNION for use by the University Book Store of approximately 20,000 square feet of floor space commencing July 1, 1989, and continuing until terminated by giving 12-months' written notice of intent to terminate, at an annual rent of \$135,000;
- 6) With the MEMORIAL UNION for the university's Copy Center use of approximately 1,400 square feet of space in the Memorial Union for a period of one year commencing July 1, 1989, with automatic renewal unless terminated by either party on 12-months' written notice, at an annual rental of \$3,430; and
- 7) With the MEMORIAL UNION for use by Administrative Data Processing of approximately 380 square feet of space in the Memorial Union commencing July 1, 1989, and continuing thereafter until either part gives 12-months' written notice of intent to terminate, at an annual rental of \$3,230.

**MOTION:**

Regent Williams moved to approve the leases and agreements, as presented. Regent Berenstein seconded the motion, and upon the roll being called, the following voted:  
AYE: Berenstein, Fitzgibbon, Furgerson, Greig, Hatch, Tyler, Westenfield, Williams.  
NAY: None.  
ABSENT: Pomerantz.

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

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

**MOTION:**

Regent Furgerson moved to approve the proposed resolution. Regent Hatch seconded the motion, and it carried unanimously.

**PARKING AND TRAFFIC RULES AND REGULATIONS, 1989-90.** The Board Office recommended that the Board approve the 1989-90 Traffic and Parking Regulations as revised from the current Regulations for Iowa State University to continue in effect until modified.

University officials sought the Board's approval of changes in the Traffic and Parking Regulations. The changes identified in the regulations have been recommended by the University's Administrative Board.

The changes provide:

that a person owing a fine not subject to appeal may not purchase a permit until the fine is paid; for certain restrictions on the use of lots by autos with a general parking permit; that the method of allocating spaces on reserved lots will permit present space holders to renew their permits with vacancies allocated on a seniority basis; that vendor/department permits intended for short term use will be revoked if misused; for a 4.75 percent increase in the general parking permit fees consistent with the collective bargaining agreement in place at the university; and for a new 24-hour reserve permit.

**ACTION:** Chairman Tyler stated the Board approved the 1989-90 Traffic and Parking Regulations as revised from the current Regulations for Iowa State University to continue in effect until modified, as a consent item.

**MEMORIAL UNION PARKING RAMP AND S.E. ADDITION, SECOND FLOOR RENOVATIONS INCREASE LOAN.** The Board Office recommended the Board concur with the recommendation of the Iowa State University Memorial Union Board of Directors to borrow an additional \$1 million at an interest rate of 7.98 percent from Norwest Investment Services, for the purposes of renovation of the Memorial Union Parking Ramp and completion of the Memorial Union southeast addition, second floor space.

Vice President Madden said the Memorial Union was established in 1927. The parking ramp is 20 years old. The natural effects of salt and road chemicals have deteriorated the ramp. University officials would like to start the project this summer.

Regent Berenstein asked if the user fees will take care of the debt service. Vice President Madden said they would. He noted that the students are very supportive of this. This is a high priority.

**MOTION:** Regent Berenstein moved to concur with the recommendation of the Iowa State University Memorial Union Board of Directors to borrow an additional \$1 million at an interest rate

of 7.98 percent from Norwest Investment Services, for the purposes of renovation of the Memorial Union Parking Ramp and completion of the Memorial Union southeast addition, second floor space. Regent Hatch seconded the motion, and it carried unanimously.

**1989-90 BUDGET - PRELIMINARY.** The Board Office recommended the Board (1) approve the Iowa State general university preliminary operating budget for fiscal year 1990 of \$203,500,736, (2) approve the Iowa State Agriculture and Home Economics Experiment Station preliminary operating budget for fiscal year 1990 of \$21,399,721, and (3) approve the Iowa State Cooperative Extension preliminary operating budget for fiscal year 1990 of \$23,111,988.

President Eaton stated that university officials worked very closely with the budget approved by the Board last fall in developing this preliminary budget. The areas of emphasis include 1) enhancing faculty salaries, 2) agriculture research, 3) minority recruitment, and 4) improving undergraduate education.

In regard to how they would address undergraduate education, President Eaton said they will feed monies into the Colleges of Business and Design to support increased student access in those areas where they have had to limit enrollments. Additional funding will also be provided to the Department of Mathematics. University officials will expand student access to microcomputing systems and computers. There will be increased support for library acquisitions. University officials will also be hiring additional minority faculty.

Vice President Madden stated the Iowa State University budget is organized into three components: general university, experiment station and extension. Each of those receives some direct funding from the state. He said the extension service operation is partially supported by the counties. There is a 17.6 percent increase in the extension budget. The Western Iowa Regents Office will maintain its current funding level.

Vice President Madden said that Iowa State University has experienced an enrollment decline of 221 students. The largest decline is in non-resident students. University officials are reallocating internally to address that. He noted that they have gone about as far in terms of reallocation as they will be able to. One of the other major problems is in the utility area. They generate the majority of their electricity on campus. He noted that if the weather continues to be hot the next couple weeks, Iowa State University will experience a brown out on the campus. He said it is still much cheaper to operate that system on campus. Their utility operations are cost effective. He added that university officials believe they will double the number of minority faculty in the upcoming year.

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Regent Fitzgibbon noted they were talking about a fairly sizeable decrease in enrollments. Vice President Madden stated that one of the problems is that engineering enrollments are cyclical. The Agriculture College is also having some enrollment decline.

Regent Fitzgibbon said the market place is the world. University officials must have a strong marketing program and do a better job of selling.

Provost Glick referred to the earlier statement that university officials will be opening three more microcomputer laboratories and said one will be a state-of-the-art calculus laboratory. In the area of minority recruitment he said they will increase from 11 to 18 Black faculty. They are having extraordinary success in that area and have spent triple what had been allocated. He said Iowa State University is science and technology oriented and has a widely-acclaimed program called "Women in Science and Technology".

**MOTION:**

Regent Berenstein moved to (1) approve the Iowa State general university preliminary operating budget for fiscal year 1990 of \$203,500,736, (2) approve the Iowa State Agriculture and Home Economics Experiment Station preliminary operating budget for fiscal year 1990 of \$21,399,721, and (3) approve the Iowa State Cooperative Extension preliminary operating budget for fiscal year 1990 of \$23,111,988. Regent Williams seconded the motion, and it carried unanimously.

Chairman Tyler 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, May 24, 1989.

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

Register of Personnel Changes for April 1989 including early retirements, as follows:

1. BERWYN B. JOHNSON, Mechanical Engineer, retired April 1, 1989, had a cost of incentives of \$74,212. Any savings realized will be reallocated.
2. DONALD B. WENDT, Associate Professor School of Music, will retire June 1, 1989, with a cost of incentives of \$33,332. Any savings realized will be reallocated.

**ACTION:** Chairman Tyler stated the Board ratified the university's personnel transactions as a consent item.

**OTHER PERSONNEL TRANSACTIONS.** The Board Office requested that the Board approve appointments, as follows:

- 1) DR. NANCY MARLIN as Vice-President for Academic Affairs and Provost, and Professor of Psychology effective September 1, 1989, at an annual salary of \$97,000;
- 2) CYNTHIA M. COULTER as Head of Acquisitions, Library with rank of assistant professor in the Library, effective August 1, 1989, with an annual salary of \$38,000;
- 3) GEORGE R. HOFFMAN as Head of the Department of Biology, with the rank of Professor of Biology, with tenure, effective August 1989 with an academic year salary of \$54,500;
- 4) JONATHON J. LU as Head of the Department of Geography and Professor of Geography with tenure for a term of three years with an academic year salary of \$47,000;

- 5) LYNN E. NIELSEN as Elementary Principal and Student Teaching Coordinator for the Malcolm Price Laboratory School effective fall semester 1989 with an academic year salary of \$38,500; and
- 6) DANIEL J. POWER as Head of the Department of Management with the rank of Professor with tenure effective August 27, 1989, with an academic year salary of \$67,500.

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

**PROPOSED CURRICULUM CHANGES.** The Board Office recommended the Board refer this item to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

University of Northern Iowa officials presented proposed curriculum changes which include two new majors, the dropping of two programs and other minor catalog changes. The two new majors include one in Finance and one in Management Information Systems.

**ACTION:** Chairman Tyler stated the Board referred this item to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation by general consent.

**UNIVERSITY CALENDAR HOLIDAYS FOR 1991.** The Board Office recommended that the Board approve the university's holiday calendar for 1991, as presented.

The proposed holiday schedule for calendar year 1991 is based on the provisions of the state's 1989-91 collective bargaining agreements.

**MOTION:** Regent Hatch moved to approve the university's holiday calendar for 1991, as presented. Regent Williams seconded the motion, and it carried unanimously.

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

#### PROJECT DESCRIPTIONS AND BUDGETS

University officials submitted one new project for approval by the Board.

Fire Safety Improvements--1989 \$250,000

Price Laboratory School and East Gym

Source of Funds: Fiscal Year 1989 Supplemental Capital  
Appropriations

Project Budget

Contract and/or Purchase Orders	\$222,000
Consultant and Design Services	18,000
Contingencies	<u>10,000</u>
 TOTAL	 \$250,000

This project provides for the removal of combustible ceiling tile and installation of non-combustible suspended ceiling tile in Price Lab School, and the installation of a stairwell between the second and third floors as a second egress at the north end of the East Gym. The project will require general, mechanical and electrical work.

This project will utilize recently-appropriated funds for fire and environmental safety, which will revert if not encumbered by June 30, 1989.

\* \* \* \* \*

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

\* \* \* \* \*

ARCHITECT/ENGINEER AGREEMENTS

Approval Requested:

Electrical Distribution Systems--Latham Hall, Maucker Union Phase II,  
Classroom-Office Building \$40,000  
Sega, Inc., Stanley, Kansas/West Des Moines, Iowa

Approval was granted by the Board at its October 1988 meeting for Sega, Inc., to provide consultant services to review proposed extensions of the electrical distribution system for Latham Hall Renovation, Maucker Union Phase II Addition, and the Classroom-Office Building projects. This review was to ensure the proposed extensions be consistent and compatible with the comprehensive plan for electrical distribution included in Sega's 1988 study. Sega specified all materials for electrical loops to service the three buildings but did not prepare plans and specifications. The intent was for

the university's electrical engineer to prepare the plans and specifications for in-house installation of the three loops and equipment.

Due to university staffing vacancies and the projects' need for electrical services in May, the Executive Director on April 19 approved the university's request to hire Sega, Inc., to provide design services for a fee not to exceed \$40,000. Sega is familiar with the overall campus plan and existing facilities and could provide the immediate help needed for maintaining construction schedules of the projects involved.

Fire Safety Improvements--1989 \$18,000  
Price Laboratory School and East Gym  
Howard R. Green Company, Charles City, Iowa

University officials requested approval of an agreement with Howard R. Green Company of Charles City, Iowa, as consultant engineers on the project. The agreement provides for a fee of \$18,000, including reimbursables.

Amendments were reported to three construction contracts and two new contracts were presented for approval.

#### CHANGE ORDERS TO CONSTRUCTION CONTRACTS

Latham Hall Renovation \$72,700  
Cardinal Construction Company, Waterloo, Iowa

The Latham Hall renovation project was approved by the Board at its November 1987 meeting. Under the base bid, the contractor was required to patch back the existing roof where penetrations occurred, including new exhaust vent pipes and the new penthouse for mechanical equipment.

As renovation of Latham Hall progressed, it became apparent that the roof would need attention. The roof is a four-ply, built-up roof installed about ten years ago. The roof has an aluminum-painted coating over the top membrane with no gravel protection. Inspection has identified significant alligatoring on the top coat as well as bubbles on the upper layer, indicating moisture present in the membrane.

The condition of the existing roof was reviewed by the consultant, Stenson, Warm, Grimes and Port Architects. The firm has recommended that the roof be replaced prior to completion of the interior finish. Since roof replacement was not identified in the contract documents, university officials requested a cost proposal from the prime contractor, Cardinal Construction Company. Cardinal submitted a cost of \$72,700 for this work. The costs were reviewed by the university and the consultant and were found to be acceptable.

Approval was requested for a change order to the contract with Cardinal Construction Company for replacement of the existing roof. This change order will not require an increase in the current project budget.

University officials were asked to address several questions at the Board meeting.

Mr. Richey asked if university officials received any bids at all on the roof repair portion of this project. Vice President Conner said they did not.

Chairman Tyler asked if it would be legal to award this contract since university officials did not take any bids originally. Mr. Richey said there is a requirement that any project over \$25,000 has to be bid. Board Office staff will have to look at that.

Vice President Conner said there are a number of breaks in the roof.

Chairman Tyler suggested the Board approve the capital register with a provision that University of Northern Iowa officials furnish the Board Office with written assurances that it is legal to do what they were requesting. Mr. Richey suggested staff could settle the legality question with the Attorney General's Office. Regent Hatch suggested the Board approve the capital register contingent upon the Attorney General's approval of the university's request regarding the Latham Hall renovation.

Regent Fitzgibbon asked if the requirement that projects costing over \$25,000 be bid is a requirement of the state Code? Mr. Richey responded that it was.

Regent Fitzgibbon questioned how the institutions deal with consultants when they come back with change orders. He felt the Board should review and take a good look at these contractors.

Chairman Tyler said he couldn't agree more with Regent Fitzgibbon. They need to find a better way to combat this kind of thing.

Regent Berenstein asked if consultants are required to have errors and omissions insurance. Mr. Richey said they are not required to have such insurance.

#### FINAL REPORTS

Power Plant Replacement--Power Plant No. 1, Phase I--  
Utilities Relocation

\$629,861.26

#### MOTION:

Regent Hatch moved to approve the university's capital register, contingent upon the Attorney General's approval of the university's request regarding the Latham

Hall renovation. Regent Fitzgibbon seconded the motion, and it carried unanimously.

President Curris said university officials were very comfortable with the resolution of the Latham Hall renovation project. He noted that the questions raised were the very questions university officials raised. This particular project was included in the bonding bill adopted by the General Assembly three years ago. When the legislature adopted that bill it reduced each of the institutions' budgeted request figures. University of Northern Iowa officials requested \$3.1 million. The legislature also mandated that all furnishings had to be funded by the bond issue.

**BUDGET CEILING INCREASE.** The Board Office recommended the Board approve a budget ceiling increase of \$975,000 in the 1988-89 budget to reflect additional income and expense.

University officials anticipated the following additional revenue in the current fiscal year:

State Appropriations	\$325,000
Tuition and Fees	500,000
Other Income	<u>150,000</u>
	\$975,000

The additional funds will be expended for:

Library Automation	\$325,000
Equipment	75,000
Building Repairs	<u>575,000</u>
	\$975,000

**MOTION:** Regent Williams moved to approve a budget ceiling increase of \$975,000 in the 1988-89 budget to reflect additional income and expense. Regent Hatch seconded the motion, and it carried unanimously.

**PRELIMINARY BUDGET, 1989-90.** The Board Office recommended the Board approve fiscal year 1990 preliminary general fund budget of \$72,805,000 for the University of Northern Iowa.

University of Northern Iowa officials proposed a budget for fiscal year 1990 of \$72.8 million. This is an increase of 8.3 percent, or \$5.6 million from the fiscal year 1989 budget.

Chairman Tyler asked for an explanation of how university officials intend to improve undergraduate education.

President Curris said University of Northern Iowa officials will address improving the quality of undergraduate education in two to three ways. The bulk of the appropriated funds will be applied to the establishment of additional faculty positions. \$100,000 will provide less than three faculty positions. Secondly, they will convert some temporary positions to permanent positions. He said the institutions will receive funds for inflationary increases. There is a strong need to put additional funds into the supplies and services category. That deficit has had an impact on the quality of teaching. Another matter of importance to strengthening undergraduate education is the library automation project.

Regent Fitzgibbon asked what university officials plan to do with the minority recruitment appropriation. President Curris said \$100,000 will be used for scholarships. He said some of the people in the General Assembly recognized the fact that next year the funding for minority recruitment should be continued. If they do that it can have a significant impact at the universities. He felt that was especially important when making a commitment to a minority student. They can't receive assistance for one year and then be told they are on their own the following year. \$40,000 will be applied to the university's minority teacher program to provide support for minority and women faculty.

Chairman Tyler said that during the salary discussion portion of the budget hearings, there was talk about "merit". He said the legislature appropriated \$1.2 million for teaching excellence. The University of Northern Iowa will receive \$275,000 of that. He felt there will be persons who look closely at how university officials propose to distribute that money.

Vice President Martin stated that \$275,000 is not an additional appropriation but a specification of how university officials will allocate funds. He assured the Board that some faculty will receive only the minimum amount provided by the contract. Last year they distributed the exact amount appropriated. He noted that this year they are required to report that to the legislature.

Chairman Tyler said that during the very tenuous salary discussion portion of the legislative budget hearings, the question was addressed to each of the institutional heads concerning whether these funds will be given on a merit basis.

Vice President Martin stated that faculty merit pay at the University of Northern Iowa is based upon peer evaluation, students' assessment of teaching performance, and assessment by the department head.

Regent Fitzgibbon asked how much would be identified to address fire safety needs. Director Eisenhauer said it was a little over \$1 million.

**MOTION:** Regent Berenstein moved to approve fiscal year 1990 preliminary general fund budget of \$72,805,000 for the University of Northern Iowa. Regent Westenfield seconded the motion, and it carried unanimously.

**MOTOR VEHICLE AND BICYCLE REGULATIONS.** The Board Office recommended that the Board approve (1) the 1989-90 Motor Vehicle and Bicycle Regulations for the University of Northern Iowa and (2) the parking and fee violation schedule contained therein.

University officials annually seek the Board's approval of these regulations and fees. The changes identified in the regulations and fees have been recommended by the University Parking and Traffic Policy Committee. The changes provide for a gated lot to become open parking at 4:00 p.m. and provide for Graduate Assistants to have access to restricted parking lots.

The fees for permits have been increased from a low of 3.7 percent to a high of 25 percent.

**ACTION:** Chairman Tyler stated the Board approved (1) the 1989-90 Motor Vehicle and Bicycle Regulations for the University of Northern Iowa and (2) the parking and fee violation schedule contained therein, as a consent item.

**TENANT PROPERTY RENTALS, 1989-90.** The Board Office recommended the Board approve leases, as follows:

(1) With TAU KAPPA EPSILON FRATERNITY for their use of the house located at 1203 West 23rd Street at a monthly rental of \$535 for the twelve months beginning July 1, 1989, through June 30, 1990, as a part of a long-term lease ending July 31, 1993, said rate to continue unless revised by the university; and

(2) With GAMMA PHI BETA SORORITY for their use of the house located at 1209 West 23rd Street at a monthly rental of \$535 for the twelve months beginning July 1, 1989, through June 30, 1990, as a part of a long-term lease ending July 31, 1993, said rate to continue unless revised by the university.

**MOTION:** Regent Williams moved to approve leases, as presented. Regent Berenstein seconded the motion, and upon the roll being called, the following voted:  
AYE: Berenstein, Fitzgibbon, Furgerson, Greig, Hatch, Tyler, Westenfield, Williams.

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NAY: None.  
ABSENT: Pomerantz.

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

## IOWA SCHOOL FOR THE DEAF

The following business pertaining to Iowa School for the Deaf was transacted on Wednesday, May 24, 1989.

**REGISTER OF PERSONNEL CHANGES.** The Board Office recommended the Board approve the Register of Personnel Changes for March 1989.

**ACTION:** Chairman Tyler stated the Board approved the Register of Personnel Changes for March 1989 as a consent item.

**APPROVAL OF 1989-90 SCHOOL CALENDAR.** The Board Office recommended that the Board approve the school calendar for the 1989-90 school year.

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 1989-90 contains 180 student-teacher contact days, nine additional inservice days for staff and nine at-home weekends including Thanksgiving, Christmas and Easter. The school year begins on August 28, 1989, and ends on May 25, 1990.

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. The State Department of Education concurs with the special schools, the Board Office and the Board's counsel in recognizing that the Individual Educational Programs (IEP) of the special school students must govern and that partial days on at-home weekends will be counted as full days.

**MOTION:** Regent Williams moved to approve the school calendar for the 1989-90 school year. Regent Furgerson seconded the motion, and it carried unanimously.

**ADOPTION OF BUSINESS OVERSIGHT POLICY FOR FISCAL YEAR 1990.** The Board Office recommended the Board approve a revised oversight policy for the special schools.

It was recommended that the following oversight policies for the special schools be revised and approved as indicated (new language is underlined):

1. The Board president or the president's designee approve new or changed vacated positions before filling hiring procedures are commenced.
2. The Board president or the president's designee approve equipment purchases and building repairs in excess of ~~\$2,000~~ \$5,000 for Iowa School for the Deaf and ~~\$5,000~~ for Iowa Braille and Sight Saving School.
3. The Board president or the president's designee approve all ~~repairs,~~ remodeling, or additions to superintendents' residences of the on-campus residences of any school employees. Routine repairs under \$2,500 will be approved by the Superintendent.
4. Trust fund expenditures are to be budgeted, submitted for review to the Board Office, and considered for approval by the Board.
5. Superintendents' out-of-state travel must be approved by the Board president or his designee.

Director Eisenhower said she was very pleased to report that Iowa School for the Deaf officials have made great strides. She said the superintendent and Ms. Aherns were to be thanked for that. Doug Jensen of the Board Office has been working closely with them.

**MOTION:**

Regent Westenfield moved to approve a revised oversight policy for the special schools. Regent Williams seconded the motion, and it carried unanimously.

**COMPREHENSIVE SERVICE CENTER FOR THE DEAF.** The Board Office recommended the Board authorize Iowa School for the Deaf officials to proceed with discussions regarding a possible federal grant for a comprehensive service center for the deaf and authorize the Executive Director to approve the proposal when certain conditions are met.

Iowa School for the Deaf has an opportunity to be a part of a multi-agency grant to provide transition (i.e., school to work) services to certain deaf persons.

The grant to the Iowa School for the Deaf would be in the \$150,000-\$300,000 range to house and provide certain services to deaf persons aged 16-30 who have completed or dropped out of high school.

Iowa School for the Deaf officials would be responsible for housing and providing certain secondary-level educational services.

There are major aspects of the grant proposal that will need to be clarified before the proposal should be approved.

Superintendent Johnson stated that school officials were requesting preliminary approval. He noted that this request was a deviation from past practices of the school. He said 60 percent of most deaf people who leave the post-secondary school are not ready for the world of work. Something has to be done to help them get ready for independent living. He noted that there is a lot of interest in having the Iowa School for the Deaf take the lead in this effort.

**MOTION:** Regent Furgerson moved to authorize Iowa School for the Deaf officials to proceed with discussions regarding a possible federal grant for a comprehensive service center for the deaf and authorize the Executive Director to approve the proposal when certain conditions are met. Regent Williams seconded the motion, and it carried unanimously.

**DEAF BLIND PROPOSAL.** The Board Office recommended the Board approve the proposed deaf-blind activities proposed by the Iowa School for the Deaf.

Iowa School for the Deaf officials proposed two activities for funding by the Iowa Department of Education from Federal Deaf-Blind funds. Included in the proposal are \$7,500 for a Deaf-Blind Workshop and \$2,000 for speakers at a regional conference of deaf educators to be held at the Iowa School for the Deaf.

Iowa School for the Deaf financial contributions to these activities will be minimal.

**MOTION:** Regent Williams moved to approve the proposed deaf-blind activities proposed by the Iowa School for the Deaf. Regent Hatch seconded the motion, and it carried unanimously.

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

#### PROJECT DESCRIPTIONS AND BUDGETS

School officials submitted five new projects for approval by the Board. Included are two remodeling projects for campus residences and three projects over \$25,000.

Roof Repairs \$85,000  
Source of Funds: Fiscal Year 1989 General Funds

Roof repairs are needed on the Girls' Dormitory, Long Hall, and the Swimming Pool/Gymnasium buildings. Each building is experiencing significant water leakage problems, particularly in the flashing areas. This project would correct metal flashing flaws and related problems. In order to be able to utilize the third floor of the Girls' Dormitory and negate further damage to the other buildings, these repairs are essential. School officials have worked with Iowa State University officials in planning this project.

Asbestos Abatement Project \$89,000  
Source of Funds: Fiscal Year 1989 General Funds

The third floor of the Girls' Dormitory has been temporarily closed until the roof can be repaired and the asbestos removed from the ceiling. The cost of this project would pay for removal of the ceiling asbestos, project administration (required by law), air sampling activities, replacement of the ceiling, replacement of the carpet (required to be removed during the asbestos abatement project), and painting the area. This project has been carefully planned and discussed with Iowa State University officials, who handled the preliminary bidding of this project.

This project also provides for the removal and re-insulation of 25 other targeted areas identified in the school's asbestos plan done by Iowa State University, including the high school tunnel, the gymnasium, and basement areas. This asbestos removal must be completed by December 31, 1989, according to the asbestos abatement plan.

Residence Repairs \$15,000  
Source of Funds: Fiscal Year 1989 General Funds

The four staff apartments are in need of repairs. These repairs include bathroom tile, kitchen linoleum, kitchen countertops, bathroom fixtures (which are more than 25 years old), and some carpet repair and replacement.

In addition, the tile and tub in the children's bathroom at the superintendent's residence needs to be replaced. It was not replaced during earlier remodeling activity.

The second bathroom at the residence of the Director of Facilities was never replaced and needs to be done at this time.

Lastly, as an energy conservation activity, attic fans need to be installed in all residences.

Girls' Dormitory Project \$75,000  
Source of Funds: Fiscal Year 1989 General Funds

This year, the furnishing and redecorating of the Boys' Dormitory was the first focus of a high priority of the school. The redecorating of the Boys' Dormitory is almost completed. The next phase is to approve the purchase of identical furniture for the Girls' Dormitory. The rooms on the third floor would also receive new carpet, paint, and window covering. The rooms on the first and second floors cannot be painted or carpeted until the asbestos is removed. If necessary, up to \$30,000 in bequest funds would be used to ensure completion of the project. School officials are working with Iowa State University on planning and bidding this project.

Residence Retaining Wall \$12,000  
Source of Funds: Fiscal Year 1989 General Funds

The south retaining walls at the superintendent's residence are in need of repair and/or replacement. They are a safety hazard. This proposed project would tuckpoint the east wall throughout, build a new brick wall on the southern end of the backyard, repair and/or replace the wooden gate which is termite damaged, repair some brick steps, repair cement, and install a cement patio at the rear of the house.

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

**APPROVAL OF BUDGET CEILING INCREASE FOR FISCAL YEAR 1988-89.** The Board Office recommended the Board approve a general fund budget ceiling increase of \$39,000 for the 1988-89 fiscal year.

Iowa School for the Deaf officials are now estimating an additional \$39,000 of previously-unanticipated revenue. A new agreement with AEA XIII to provide interpreter services accounts for \$24,000 of the increase. The remaining \$15,000 is due to increased interest income. The school anticipates that the additional revenue from both sources will continue in the 1990 fiscal year.

The funds from the AEA XIII agreement will be used for professional services associated with this program. The additional interest income will be used for asbestos abatement and roof repairs.

MOTION: Regent Williams moved to approve a general fund budget ceiling increase of \$39,000 for the 1988-89 fiscal year. Regent Furgerson seconded the motion, and it carried unanimously.

**APPROVAL OF FISCAL YEAR 1990 OPERATING BUDGET SUMMARY.** The Board Office recommended the Board approve a fiscal year 1990 preliminary budget of \$5,874,768 for the Iowa School for the Deaf.

Iowa School for the Deaf officials proposed a budget for fiscal year 1990 of \$5,874,768. This is an increase of 8.9 percent, or \$478,168 from the revised fiscal year 1989 budget. Additional funding in fiscal year 1990 will be expended for salaries and utilities.

Business Manager Ahrens stated that school officials expected to make some adjustments in 1989 budget. They anticipated reallocating \$60,000 in utilities dollars due to having a milder-than-expected winter. Some of the projects just approved on the capital register would be funded through this reallocation. Roofing is a very necessary expense. She said the third floor of the girl's dormitory should be done in about 3 weeks. The increase in the budget for salaries and fringes is strictly what has been approved. School officials want to bring the utility budget up to the starting base plus 10 percent. There are a lot of old buildings on campus.

Superintendent Johnson stated that school officials will continue to work in the dormitories and to focus on staff development activities.

Regent Fitzgibbon asked about the process for the removal of asbestos. Business Manager Ahrens said there will be no one on campus at the time the project is done. The company quarantines the entire building.

Regent Hatch repeated her caution about the 10 percent salary increase for fiscal year 1990. She said she would like to see some kind of study on the salaries of commensurate schools.

Mr. Richey said he had already asked for the study. He has been told there is a severe shortage of special education teachers. None of those people are produced in this state so we are in a national market. He said staff will present the information requested. He noted that the salary increase is actually 8.9 percent.

Superintendent Johnson said the school has 1 to 2 dozen positions that are supposed to be focused on hearing-impaired individuals which they can't fill. They need to make sure they have people who are competent.

Regent Hatch said they may need to look at some of the Regent institutions for training people for these specialized tasks.

Director Hauser stated that Iowa Braille and Sight Saving School officials are training some teachers on campus this summer including teachers from outside the school. He said he felt there may be a little confusion over the amount

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of salary increase for the special schools faculty. The average increase will be from 5.5 to 6.9 percent for raises, up to an additional 2 percent for extrameritorious performance and the remaining 1.1 percent for staff development.

**ACTION:**

Chairman Tyler stated the Board approved a fiscal year 1990 preliminary budget of \$5,874,768 for the Iowa School for the Deaf by general consent.

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

## IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Wednesday, May 24, 1989.

**RATIFICATION OF ACTIONS REPORTED IN THE REGISTER OF PERSONNEL CHANGES.** The Board Office recommended the Board approve the Register.

**ACTION:** Chairman Tyler stated the Board approved the Register for March 19 through April 29, 1989, as a consent item.

**APPROVAL OF SCHOOL CALENDAR, 1989-90.** The Board Office recommended that the Board approve the school calendar for the 1989-90 calendar year.

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 1989-90 contains 180 student-teacher contact days, nine additional days for teachers, and twenty at-home weekends including Thanksgiving, Christmas and Spring vacations. The school year begins on August 28, 1989 and ends on June 3, 1990.

The school will have a 1990 summer session operating from June 17 until June 29.

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. Consultation among the special schools, Board Office, Department of Education, and the Board's counsel indicate that while there will be days with fewer than 5-1/2 hours of student-teacher contact, the students Individual Education Program identifying the need for at-home weekends governs.

**MOTION:** Regent Berenstein moved to approve the school calendar for the 1989-90 calendar year. Regent Williams seconded the motion, and it carried unanimously.

**PROVISION OF DEAF-BLIND CONSULTANT TO THE STATE.** The Board Office recommended the Board approve the proposal for a Deaf-Blind Consultant to be housed at the Iowa Braille and Sight Saving School.

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Iowa Braille and Sight Saving School officials proposed a new position of statewide Deaf-Blind Consultant to be funded in large part from federal funds administered by the Iowa Department of Education.

Iowa Braille and Sight Saving School will provide funds for benefits, travel, and secretarial assistance. Both Iowa School for the Deaf and Iowa Braille and Sight Saving School will provide office space and access to needed resources.

The position will improve services to Iowa's Deaf-Blind youth and enhance the outreach services at the two special schools.

Acting Superintendent Terzieff stated that at this time there is no one individual acting as a coordinator of these services.

Regent Fitzgibbon asked for an estimate of the amount of time the consultant would be used by the two special schools. Acting Superintendent Terzieff said he hoped the majority of the time would be spent with the Area Education Agencies.

Regent Hatch read a letter from her deaf-mute carpenter. He said that Iowa School for the Deaf gave him a future. He went on to say that because of mainstreaming in the public schools the hearing-impaired students are not getting the kind of help they need. He expressed hope that both Iowa School for the Deaf and Iowa Braille and Sight Saving School officials would work hard to ensure the success of this new position.

**MOTION:** Regent Fitzgibbon moved to approve the proposal for a Deaf-Blind Consultant to be housed at the Iowa Braille and Sight Saving School. Regent Williams seconded the motion, and it carried unanimously.

**APPOINTMENT OF ACTING SUPERINTENDENT DURING SUPERINTENDENT THURMAN'S ANNUAL LEAVE.** The Board Office recommended that the Board designate Director of Education Dr. Ivan S. Terzieff as Acting Superintendent while Superintendent Thurman is on annual leave.

Superintendent Thurman requested to take annual leave at this time. While he is on annual leave, it was recommended that the school's Director of Education, Dr. Ivan S. Terzieff, serve as Acting Superintendent.

**MOTION:** Regent Fitzgibbon moved to designate Director of Education Dr. Ivan S. Terzieff as Acting Superintendent while Superintendent Thurman is on annual leave. Regent Williams seconded the motion, and it carried unanimously.

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

**PROJECT DESCRIPTIONS AND BUDGETS**

School officials submitted two new projects for approval by the Board. Included was one project with a budget of \$25,000 and one remodeling project for the superintendent's residence.

Replacement of Gymnasium Roof \$25,000  
Source of Funds: Fiscal Year 1989 General Funds

The gymnasium roof is 28 years old and has leaked for several years. The proposed replacement is a rubber membrane system which includes three inches of insulation. The project specification requires a full system warranty for ten years and an additional ten years warranty on the membrane.

This expenditure will be processed through the Iowa State University Purchasing Department.

Replacement of Superintendent's Residence Driveway \$7,500  
Source of Funds: Fiscal Year 1989 General Funds

The superintendent's residence driveway is cracked and settling in several areas. Replacement is necessary based on the poor condition. The existing concrete is approximately 20 years old.

This expenditure will be processed through the Iowa State University Purchasing Department.

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

**APPROVAL OF BUDGET CEILING INCREASE FOR FY 1988-89.** The Board Office recommended the Board approve a general fund budget ceiling increase of \$24,000 for the 1988-89 fiscal year.

School officials have an estimated \$24,000 of unanticipated income due to an increase in reimbursement from the State Department of Education for large print materials prepared at the school. The additional income is not expected to continue in the 1989-90 fiscal year. Therefore, school officials intend to expend the additional income on various maintenance and building repair projects.

IOWA BRAILLE AND SIGHT SAVING SCHOOL  
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MOTION:

Regent Williams moved to approve a general fund budget ceiling increase of \$24,000 for the 1988-89 fiscal year. Regent Furgerson seconded the motion, and it carried unanimously.

**PRELIMINARY BUDGET, 1989-90.** The Board Office recommended the Board approve a fiscal year 1990 preliminary budget of \$3,395,964 for the Iowa Braille and Sight Saving School.

Iowa Braille and Sight Saving School officials proposed a budget for fiscal year 1990 of \$3,395,964. This is an increase of 9.1 percent, or \$282,402 from the fiscal year 1989 budget.

Director Hauser stated the salary increase budgeted will allow them to attract good faculty. He emphasized that it is very difficult to attract faculty that are certified in visual impairment.

MOTION:

Regent Fitzgibbon moved to approve a fiscal year 1990 preliminary budget of \$3,395,964 for the Iowa Braille and Sight Saving School. Regent Furgerson seconded the motion, and it carried unanimously.

Chairman Tyler 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 4:43 p.m., on Wednesday, May 24, 1989.

  
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R. Wayne Richey  
Executive Secretary