

The State Board of Regents met on Wednesday, May 27, and Thursday, May 28, 1987, at the Iowa School for the Deaf. The following were in attendance:

	<u>May 27</u>	<u>May 28</u>
<u>Members of State Board of Regents</u>		
Mr. Pomerantz, President	All sessions	All sessions
Mr. Duchon	All sessions	All sessions
Mr. Greig	All sessions	All sessions
Dr. Harris	All sessions	All sessions
Mr. Tyler	All sessions	All sessions
Miss VanEkeren	All sessions	All sessions
Mr. VanGilst	All sessions	All sessions
Mrs. Williams	All sessions	All sessions
<u>Office of the State Board of Regents</u>		
Executive Secretary Richey	All sessions	All sessions
Director Barak	All sessions	All sessions
Director True	All sessions	All sessions
Director Volm	All sessions	All sessions
Director Wright	All sessions	All sessions
Associate Director Runner	All sessions	All sessions
Associate Director Stanley	All sessions	All sessions
Assistant Director Peters	All sessions	All sessions
Minutes Secretary Briggie	All sessions	All sessions
<u>State University of Iowa</u>		
President Freedman	All sessions	All sessions
Vice President Ellis	All sessions	All sessions
Vice President Remington	All sessions	All sessions
Assistant to President Mears	All sessions	All sessions
Assistant to Vice President Davis	All sessions	All sessions
Director Stork	All sessions	All sessions
Director Cooper	All sessions	All sessions
<u>Iowa State University</u>		
President Eaton	All sessions	All sessions
Vice President Christensen	All sessions	All sessions
Vice President Madden	All sessions	All sessions
Vice President McCandless	All sessions	All sessions
Vice President Moore	All sessions	All sessions
Assistant to President Crawford	All sessions	All sessions
Director Lendt	All sessions	All sessions
<u>University of Northern Iowa</u>		
President Curris	All sessions	Exc. 9:25 a.m.
Provost Martin	All sessions	Exc. 9:25 a.m.
Vice President Conner	All sessions	Exc. 9:25 a.m.
Director Chilcott	All sessions	Exc. 9:25 a.m.
Director Stinchfield	All sessions	Exc. 9:25 a.m.
<u>Iowa School for the Deaf</u>		
Superintendent Giangreco	All sessions	All sessions
Business Manager Kuehnhold	All sessions	All sessions
<u>Iowa Braille and Sight Saving School</u>		
Acting Superintendent Young	All sessions	Exc. 10:20 a.m.
Business Manager Berry	All sessions	Exc. 10:20 a.m.

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The following business pertaining to general or miscellaneous business was transacted on Wednesday, May 27 and Thursday, May 28, 1987.

APPROVAL OF MINUTES. The minutes of the April 22-23 and May 5, 1987, meetings were approved by general consent.

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

REPORT OF COMMITTEE ON EDUCATIONAL COORDINATION. The Board Office recommended the board receive the report on cooperative research efforts among the Regent institutions and direct that annual reports be made to the board.

Vice President Martin, current chairman of the Interinstitutional Committee on Educational Coordination, stated that earlier this year the Board of Regents requested a report from the Interinstitutional Committee on Educational Coordination on the interinstitutional collaborative research efforts with respect to laser sciences and molecular biology. The board was interested in ensuring that expensive one-of-a-kind, high technology equipment and facilities were being adequately shared among the Regent institutions to avoid the need for costly duplicative research facilities. Dr. Martin added that the Lakeside Laboratory and the Regents Language Program Abroad are examples of shared programs.

A report prepared by Vice President Remington provided the board with background regarding the board's interest in obtaining maximum utilization of equipment and facilities and avoiding unnecessary duplication. It also described the University of Iowa's own internal efforts to avoid unnecessary internal duplication of expensive specialized equipment and to make this equipment as widely available as possible.

The Board Office noted that interinstitutional cooperation appeared to be taking place with respect to the University of Iowa Laser Facility. The Iowa Laser Facility has widely publicized its existence and availability to investigators at the other Regent universities and to other potential users as well. Since 1980 the Iowa Laser Facility has had 14 faculty, staff or student visitors from Iowa State University.

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According to a report prepared by Vice President Christensen, collaborative research efforts are already underway at Iowa State University. The university recently gave the University of Northern Iowa an electron microscope that should be of value in the University of Northern Iowa's teaching and research programs. Also, arrangements are being worked out to accommodate the needs of the University of Northern Iowa scientists to utilize the Molecular Biology Facility. Discussions have been held relative to both training programs and collaborative research on specific projects. The university fully expects that the Molecular Biology Facility will enable the University of Northern Iowa and Iowa State University to strengthen and coordinate pertinent projects and to enhance research in molecular biology in the State of Iowa.

Board Office staff concluded that there appeared to be the beginnings of a solid base of activities of interinstitutional cooperation between the three Regent universities. These efforts need to be expanded and the universities encouraged to intensify these efforts and undertake similar efforts in other areas.

Regent Tyler asked whether it would be appropriate to forward the committee's report to Representative Hatch due to the interest he expressed in this area during the appropriations hearing. Mr. Richey responded that it would be appropriate to forward the report.

President Pomerantz stated there was a legislative provision which requires that a consortium be established consisting of the three universities as equal participants to establish and use the process for the exchange and integration of knowledge among the universities in research areas.

ACTION: President Pomerantz stated the Interinstitutional Committee on Educational Coordination report on cooperative research efforts among the Regent institutions was received by general consent.

PRESIDENTIAL SEARCH, UNIVERSITY OF IOWA. The Board Office recommended the board (1) approve the criteria to be used in evaluation of the State University of Iowa Presidential Candidates and (2) approve procedures for affirmative action review.

In April the Board of Regents authorized the establishment of a Search and Screen Committee at the University of Iowa. Among the duties of the Search and Screen Committee was the drafting of a set of criteria to be used in evaluating presidential candidates. The University of Iowa committee established for this purpose developed the list of criteria, as follows:

In order to ensure that adequate consideration had been given to affirmative action principles, it was recommended that a review of the affirmative

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action/equal employment opportunity procedures utilized in the conduct of this search be undertaken by the Board of Regents Affirmative Action Officer and the University of Iowa Affirmative Action Officer prior to the submission of the finalists to the Board of Regents. This review would ensure that appropriate consideration had been given to affirmative action principles during the search.

Mr. Richey stated the Affirmative Action review for this search would be quite similar to those done in other searches. He stated he wished to make it clear that there would be a specific review at a specific time to ensure that adequate consideration had been given to the Board's commitment to affirmative action. He stated the recommended review by the Board Office and the University of Iowa Affirmative Action Officer would eliminate any concern that there might not be an appropriate process. He added that the criteria was consistent with that of other searches but that the criteria for the current search related specifically to the University of Iowa.

Regent Harris asked whether in the past it had been necessary to have a Ph.D in order to be a candidate for the presidency.

Mr. Richey responded it had normally been a part of the criteria that the candidates must either have a Ph.D or equivalent.

Regent Harris stated he recalled that sometime in the past discussion had been held regarding a Ph.D not being required. Mr. Richey stated that it had been discussed in the past, but there was no formal action taken on it.

President Pomerantz stated that if a Ph.D had, in fact, been a requirement in the past then the board would not have one of the current university presidents.

Regent Tyler asked whether in the past the applications have gone directly to the search firm. He said the reason he asked the question was to determine whether it was possible that was not being done this time. He stated he was concerned that it might tend to limit the number of applications by reason of Iowa law.

Mr. Richey responded that it was being done this time.

President Pomerantz stated all applications will go to Heidrick and Struggles, the search firm.

Regent Duchen stated he received a mailing from a group at the State University of Iowa regarding affirmative action as it relates to this search in particular and all hiring at the university in general.

President Pomerantz stated he believed each Regent received communication from that group, which is the Council on the Status of Women, at the

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University of Iowa. He stated he had referred his correspondence to the Board Office and asked that a response be drafted and sent informing the Council on the Status of Women of the board's commitment to affirmative action and to assure them of an environment where appropriate affirmative action takes place in this and all searches. He stated that Heidrick and Struggles, and other search firms in the future, would be informed that affirmative action is an important part of the board's hiring policies. The board strives for a better balance in all minority groups, including women, and in all policies on Regent programs.

Regent Duchen stated although there were some questions which cannot be asked of candidates, he wished to make it a part of the record that in the presidential interviews the board would ask specific questions to be able to determine the candidates' views on affirmative action. The subject of affirmative action needs to be addressed as to how the candidates feel about it in order to ensure the Regents' affirmative action policies are maintained at the university level.

President Freedman stated Regent Duchen's suggestion was very necessary and appropriate.

Regent Williams stated that in reading the correspondence from the Council on the Status of Women, it appeared that President Freedman received the communication about the same time as the Regents. She stated she was concerned about a communication problem within the university. She said she felt uncomfortable reading something which had not had internal university review. She stated she felt the correspondence should have been received by the Regents through the chain of command. She stated that internal communications need to be respected and the administrators be allowed to handle it internally.

MOTION:

Regent VanGilst moved approval of the criteria to be used in evaluating presidential candidates and of the procedures for affirmative action review. Regent Duchen seconded the motion, and it carried unanimously.

Regent Harris asked if President Pomerantz would be in attendance at the Presidential Search Committee meetings as the search process moves along.

President Pomerantz responded he would be present at some of the meetings, where appropriate. He added that Professor Becker had been in contact with him and was doing a credible job of keeping him informed.

Regent Duchen stated he had read quite a bit of correspondence from various groups interested in the presidential search. He said he felt there was

still some segment of the University of Iowa faculty that felt it was not being represented.

Director Barak responded that correspondence from Professor Becker addressed that particular issue and he felt there was good representation.

Mr. Richey stated the Search Committee was chosen by the people within the university community and he felt it was broadly representative of the various groups. He added every single discipline could not be assured representation.

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

The highlights of the May meeting are briefly described below:

1. Report of nominating committee. A nominating committee consisting of Norman Nielsen, Thomas Feld and Bass Van Gilst reported on the nominations for the executive committee for the Coordinating Council for 1987-88. The committee recommended Richard Remington as Chair of the Council, Pasquale di Pasquale as Vice Chair, Robert Barak as Permanent Secretary, John Hartung as Treasurer and Charles Moench as Minutes Secretary.
2. Summer Institute for Teachers. The Coordinating Council heard a brief report on the status of the Summer Institute Program for teachers, a joint responsibility of the Coordinating Council and the Iowa College Aid Commission. This special program, paid for by lottery funds, provides funds for colleges and universities to provide summer institute programs for teachers in disciplines identified by the Iowa Department of Education as critical. This year, these areas include math, science, foreign language and special education.
3. Articulation Panel. The committee heard a report on articulation between Iowa's area schools and the four year colleges and universities and between the elementary/secondary schools and the postsecondary institutions. Specifically, the panel discussed the issues between the area schools and the Regent universities in terms of the transfer of students. While there continued to be some differences of opinion regarding the transferability of credit, the system is working relatively well.
4. National Higher Education Week. The council discussed the possibility of establishing a special week of activities for National Higher Education Week, which will take place in October. This is part of a national effort to promote higher education. Some activities are planned for the fall.

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5. New Programs. The Coordinating Council approved five new programs for the area schools, three new programs for Waldorf College and a program for St. Ambrose College.

None of the Board of Regent members were present at this meeting. George Christensen, Philip Hubbard and Ed Voldseth were present at the meeting.

Vice President Christensen stated the docket memorandum accurately reflected the proceedings of the council. He stated this clearly was the best meeting the council had all year. He said the members discussed articulation among Iowa colleges and schools and this was the best articulation attempt the council had made with regard to the differences in transferability of credit. The council members recognized the differences were due to the fact that there were different types of institutions. He stated the community colleges were clearly working very hard and understood exactly what the requirements were. He stated everything was working extremely well and the council was at last accomplishing what it set out to do.

Regent VanGilst assured the board that he thought the Coordinating Council was an important segment that the board must work with. In regard to the statement in the docket memorandum that no Board of Regents members were present at the council meeting, Regent VanGilst stated he was not absent just because he did not care. He was not able to attend and Director Barak agreed to attend for Regent VanGilst.

Regent Williams asked when the next meeting of the Iowa Coordinating Council for Post-High School Education would be held.

Director Barak responded the next meeting would be held in September.

President Pomerantz stated the nominating committee nominated and the council unanimously approved the election of Vice President Remington as chair of the council for 1987-88.

Vice President Remington referred to item 5. of the docket memorandum and clarified that the word "approved" should actually be "accepted".

Regent VanEkeren asked that a schedule of the Coordinating Council meeting locations and times be forwarded to the Board of Regents.

ACTION: President Pomerantz stated the report of the May meeting of the Iowa Coordinating Council for Post-High Education was received by general consent.

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MEETING WITH THE ADVISORY COMMITTEES OF THE IOWA SCHOOL FOR THE DEAF AND THE IOWA BRAILLE AND SIGHT SAVING SCHOOL. The Board Office recommended the board receive the report of the advisory committees at the Iowa School for the Deaf and the Iowa Braille and Sight Saving School.

The Board Office reported that since the establishment of the advisory committees, the committees have met on a quarterly basis every year. In recent years, the advisory committees have raised a concern in their meetings about the substance of matters provided for their consideration and their relevance to the Board of Regents. These concerns have been largely alleviated by recent personnel changes at the special schools. In several recent meetings, the board has also indicated a strong desire that the advisory committees play a more substantive role.

The last several meetings of the advisory committees have been extremely beneficial and have resulted in significant activities according to the Board Office. The annual reports of the two special schools have been reviewed and considerable recommendations have been made for their substantive improvement. The committees have also reviewed the long-range plans of the two special schools as directed by the board and have made detailed recommendations regarding the various proposals for the two special schools. This summer, the advisory committees will meet with the new superintendents to review the long range plans and provide detailed advice regarding each of the issues proposed in the plans.

Dean Lagomarcino, Dean of Education at Iowa State University and chair of the Iowa Braille and Sight Saving School Advisory Committee, addressed the board with his report on recent accomplishments made by the Iowa Braille and Sight Saving School Advisory Committee, and provided the Regents with written copies of his remarks. He explained the committee felt with the new superintendent coming to the school a thorough review of the goals and objectives would be in order. The committee also delineated specific recommendations for the content of the annual report. The committee also discussed the role of the consultant and how these services could best be used by the school and the committee.

Regent Harris stated he was surprised by the statement that Dean Lagomarcino felt it was necessary to redefine the role of a consultant. Regent Harris stated he had read the report and it never occurred to him that the consultant would be doing anything other than what he was originally hired to do.

Dean Lagomarcino responded that this was a new consultant. He stated one of the things the Advisory Committee felt was needed was a more formalized arrangement for a consultant to develop specific statements as to what is new in the arena of education for the visually impaired for presentation to the committee.

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President Pomerantz asked how the selection of the consultant was done?

Dean Lagomarcino stated that it was done by the Board Office.

Director Barak stated the Superintendents of the special schools suggest names and the Board Office contacts those individuals and reviews their credentials.

President Pomerantz asked whether the institutions have input into the selection of the consultant.

Director Barak responded that the institutions do have input into the selection of the consultant.

President Pomerantz thanked Dean Lagomarcino for the outstanding work he had done for the board in the recent searches for superintendents of the special schools. President Pomerantz presented Dean Lagomarcino with a framed copy of the following resolution:

WHEREAS, the Board of Regents selected new heads for Iowa State University, Iowa School for the Deaf and Iowa Braille and Sight Saving School during the past two years, and

WHEREAS, the Board of Regents established campus committees to search for and to screen candidates for these positions for all three institutions, and

WHEREAS, Dean Virgil S. Lagomarcino graciously agreed to serve as chair of each of these committees during the searches, and

WHEREAS, the excellent work of Dean Lagomarcino and the committees he led resulted in the selection of outstanding and highly qualified persons to lead the Regent institutions, then

THEREFORE, BE IT RESOLVED that the Iowa State Board of Regents expresses its deep gratitude and appreciation to Dean Virgil S. Lagomarcino for serving as chair of the campus search committees for Iowa State University, Iowa School for the Deaf, and Iowa Braille and Sight Saving School.

Dean Lagomarcino stated he wished to extend a special word of thanks to the Board Office staff who made his work in search processes easier.

Professor Netusil, Professor of Professional Studies at Iowa State University and chair of the Iowa School for the Deaf Advisory Committee, stated the docket memorandum summarized the work of the committee. He noted at the last meeting of the Iowa School for the Deaf Advisory Committee, the committee

adopted a resolution which outlines its recommendations to the new superintendent. The resolution recommends that the new superintendent undertake efforts:

1. To derive and disseminate a statement outlining a clear definition and function of Iowa School for the Deaf.
2. To seek input from across a broad constituency to identify programmatic thrusts.
3. To assess with organizations and individuals specific short-and long-range courses of action that may be implemented. In order to accomplish this, it will be necessary to create an evaluation instrument to identify areas in which different institutions and organizations can be most effective.
4. To develop interest areas and pilot centers recommended for demonstration programs geographically removed from the vicinity of Council Bluffs.
5. To indicate commitment to develop and finance agreed-upon efforts.

Professor Netusil stated the Advisory Committee members have enjoyed their association with Superintendent Giangreco and look forward to working with the new superintendent this summer.

ACTION: President Pomerantz stated the report of the Advisory Committees at the Iowa School for the Deaf and the Iowa Braille and Sight Saving School were received by general consent.

REPORT ON STATUS OF REGIONAL SCHOOL FOR THE DEAF. The Board Office recommended the board receive the report on the progress of discussions regarding a study of a Nebraska/Iowa Schools for the Deaf.

The Board Office reported that in August of 1986, Governor Kerry of Nebraska appointed a Commission for Special Education charged with negotiating compacts with Iowa, Kansas, and Wyoming for interstate residential special education programs. The commission was appointed as a result of an act of the Nebraska Legislature (LB 1049) a year earlier. In announcing the appointments, Governor Kerry stated "the availability, quality and cost effectiveness of residential special education are of major concern. We in Nebraska, undoubtedly have program features that are attractive to our neighboring states, and vice versa."

The commission has met on three occasions and has as a major current focus the discussion of the possibility of a combined school for the deaf located at the Iowa School for the Deaf in Council Bluffs. A joint task force

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composed of representatives of the two states was established to study the possibility of combining the two schools. It has completed some preliminary studies which indicate that there could be important educational advantages as well as financial savings to both states as a result of combining the Nebraska and Iowa Schools for the Deaf in Council Bluffs.

Director Barak stated the Nebraska Legislature set up the commission to look at the possibility of reciprocity with a number of states contiguous to Nebraska in providing services in special education. The Commission for Special Education identified as its first priority the possibility of a combined school for the deaf. Previous reports to the Board of Regents indicated the best alternative was to locate that school on the Iowa School for the Deaf campus. The Iowa school can address the educational needs of all students and the facilities are more than adequate to accommodate the increased number of students. The joint committee is looking at more detailed plans as well as taking a detailed look at curriculum. The dormitory programs and teacher certification requirements are different in each state. The committee is trying to work out an agreement that will provide a smooth transition if the possibility of a combined school for the deaf were approved. He stated the architects have completed preliminary work on a modification of the facilities. He said the committee would be meeting next week to discuss the architects' plans as well as governance issues. He said the Board Office would provide another report to the board in June or July.

Regent Tyler asked if the chair of the commission and the Governor of Nebraska were supportive.

Director Barak stated the Governor of Nebraska and the chair of the commission were supportive, and there have been discussions with Governor Branstad.

ACTION: President Pomerantz stated the report on the status of a regional school for the deaf was received by general consent.

LEGISLATIVE REPORT, 1987 SESSION. The Board Office recommended the board receive the report on legislative activities.

The legislative report presented to the board was essentially a summary of the 1987 session as it pertains to the Board of Regents, although many significant actions by the Governor had not yet occurred. The 1987 Session of the legislature adjourned in the early hours of May 10, 1987. Final action on a number of major bills of interest to the Regents was taken only in the last few hours and days of the session. The Governor had until June 9, 1987 to act on bills sent to him. Many of the bills passed at the end of the session had not yet been printed in final form. Some of the final

actions taken were not yet clear. The Board Office would continue its review of bills of interest to the Regents.

Below are summaries of the most critical legislative actions and issues to be considered by the board.

- * Appropriations were \$4.8 million over the Governor's recommendation for the Regent institutions. Most of this is for improving educational quality projects to be approved by the board.
- * Salary adjustment appropriations of \$19.5 million are expected for the Regent institutions but this amount is considerably short of total salary adjustment needs.
- * The authority of the board to finance self-liquidating projects was restored.
- * Requirements to provide resident tuition status for sister state students were changed to be permissive.
- * Indigent obstetric patients in a nine-county area around Iowa City were designated to be served by University of Iowa Hospitals and Clinics.
- * The appropriation bill has two sections which would allow the special schools faculty to accrete to the collective bargaining unit at the University of Northern Iowa or another of their choice.
- * The amorphous silicon research project at Iowa State University (in conjunction with 3-M Corporation) was appropriated \$2 million.
- * The salary policy bill requires the board to fund up to eleven percent faculty salaries with salary adjustment funds after taking into consideration additional income derived from the tuition rate increase.
- * Appropriations and intent language to allow the \$10.1 million University of Northern Iowa boiler replacement project to proceed failed to get House approval.
- * Lottery funds for two additional projects at Iowa State University and the University of Northern Iowa were set aside, bringing the total statutory set-aside to \$5 million out of \$7 million available in the economic and research and development grant program. This considerably weakens the board's ability to help direct these critical research and development funds.

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- * The Governor is expected to approve \$65.6 million in new Academic Building Revenue Bonding authority for the board. A decision needs to be made by the board on the distribution of bond proceeds among the projects listed for University of Iowa and Iowa State University.

The governor vetoed a number of the provisions of House File 355, which provides supplemental appropriations for fiscal year 1987. A recommended appropriation of \$400,000 for the College of Veterinary Medicine at Iowa State University was vetoed. Sections related to the purchase of equipment in excess of \$100,000 which had been of concern to the Regents were also vetoed. The bill retains a supplemental appropriation of \$65,000 for the Rural Concern Hotline at Iowa State University.

The final legislative action on the Omnibus Appropriations Bill (Senate File 511) provides funding of \$4.8 million above the Governor's recommendations for the Regent institutions operating budgets. Excluding salary adjustment funds, the bill appropriates \$7.3 million more than the current year appropriation for the Regent institutions.

Director True stated the bill had not been signed and the Governor could line item veto items in the appropriations bill.

Other provisions of the Conference Committee Report accepted for Senate File 511 include:

- * Limitations on the number of full-time-equivalent employees to be supported by appropriations in each budget unit.
- * The specification (for the University of Iowa and Iowa State University) of supplemental funds to be expended for salary increases for professional and scientific employees, for an emergency supplement for graduate students adversely effected by the Federal Tax Reform Act of 1986 and for educational quality projects approved by the State Board of Regents. For the purpose of implementing educational quality projects all three universities are permitted to exceed the limitation on full-time-equivalent positions included in the bill.
- * A requirement that "the funds allocated to the State Board of Regents for faculty salary adjustments at the three universities shall be distributed based on an amount necessary to fund an eleven percent increase in the faculty salaries after funds received from increased tuition, less the amount committed to student aid, have been allocated for that purpose."
- * A reduction in the total state salary adjustment fund from \$37.8 million to \$34.8 million. The effect of this reduction on the Regent share (expected to be \$19.5 million) is unclear.

- * The appropriation of \$94,600 to the Board of Regents for salary supplements for certificated classroom teachers at the Iowa Braille and Sight Saving School and the Iowa School for the Deaf. Additional funds are being sought to fully fund the cost of increasing the minimum teacher salary at the special schools to \$18,000 with equivalent increases for experienced teachers.
- * Provisions that classroom teachers employed by the Iowa Braille and Sight Saving School and the Iowa School for the Deaf "may be accreted to the faculty employee organization at the University of Northern Iowa or any other approved employee organization."
- * An appropriation of \$2.0 million to Iowa State University for research on amorphous silicon. The appropriation is for fiscal year 1987, but may be carried over to fiscal year 1988.
- * The exclusion of the Regent institutions from the requirement that all goods and services be received as of the last day of the fiscal year in order to avoid reversion of funds. The Regents will be required to submit a list of all obligations for goods and services not received or rendered as of September 1, 1988.
- * Requirements that the Board provide notice to the student government organizations of the Regent universities of any proposals to increase tuition, fees or charges and that final decisions on tuition increases be made no later than the November board meeting. This meeting must be held in Ames, Cedar Falls or Iowa City and it must not be held during the Thanksgiving vacation period.
- * Restoration of the self-liquidating bond authority of the Board which had been seriously restricted during the last legislative session. This will permit the board to consider self-liquidating debt financing on the Iowa State University Recreation Center and parking ramps proposed at the University of Iowa.
- * The establishment of an Agricultural Health and Safety Service as part of the College of Medicine at the University of Iowa, with a fiscal year 1988 appropriation of \$59,940.
- * A partially decentralized medically indigent obstetrical patient care program which states that inpatient services shall be provided at the University Hospitals for patients in the nine county area around Iowa City.
- * The carry-over of unused fiscal year 1987 obstetrical patient care funds to the Department of Public Health, with an allocation of \$77,560 for Mobile and Regional Child Health Specialty Clinics in fiscal year 1988.

- * An amendment sought by the Board of Regents to allow the Board to adopt rules concerning the classification of students enrolled in the Regent universities who are residents of Iowa's sister states. Action taken by the 1986 Legislature had required that residents of Iowa's sister states be classified as Iowa residents for tuition and fee purposes.
- * The allocation of \$1,150,000 to the Regent universities and area schools for the state's work study program, with an additional \$1 million to be allocated on the basis of need.
- * A provision that agencies of state government waive the requirements of performance bonds for targeted small businesses which are unable to secure such a bond because of lack of experience.
- * A requirement that a consortium be established "consisting of representatives of Iowa State University, The University of Iowa, and the University of Northern Iowa as equal participants to establish and use a process for the exchange and integration of knowledge among the universities in the fields including, but not limited to food production, food processing, food preservation, nutrition, medicine, pharmacy, chemical-free water, clean air, and environmental safety".

A number of the provisions of the appropriation bill were added only in the last hours of the legislative session.

Salary adjustment policies are in Senate File 504. Final legislative action on this bill deleted a portion of a provision which had been actively opposed by the board. An amendment had required that the Board of Regents reallocate salary adjustment funds among the universities if tuition increases exceeded estimates. The board would have been required to fully fund the collective bargaining agreement at the University of Northern Iowa prior to funding of salary adjustments at the University of Iowa and Iowa State University. This provision was struck, although the final version of the bill still requires that faculty salary adjustments at the universities be distributed on the basis of the amount needed to fund an eleven percent increase in faculty salaries after funds from tuition increases have been allocated. This section could have the effect of reverting state appropriations equal to the student fee income in excess of estimates.

The salary adjustment bill provides that salary adjustment funds allocated to the State Board of Regents shall be used for an average 3.5 percent increase for professional and scientific employees, with faculty salary increases to be allocated at the discretion of the Board of Regents.

Federal funds from block grants are appropriated by Senate File 513. This bill includes the appropriation of \$2.0 million from the maternal and child health services block grant to the University of Iowa Hospitals for Mobile and Regional Child Health Specialty Clinics. These funds are appropriated

through the Department of Public Health. The amount has been reduced slightly by the requirement that a portion of the funds appropriated to the Department of Public Health be used for audits.

A bonding resolution authorizing \$65.6 million in new academic building revenue bonding authority was approved (Senate Concurrent Resolution 35). It includes \$25.1 million for the University of Iowa, \$37.5 million for Iowa State University, and \$3 million for the University of Northern Iowa. The projects authorized include the following:

<u>Institution</u>	<u>Amount Available</u>	<u>Projects</u>	<u>Board of Regents Request</u>
University of Iowa	\$25.1 million	Laser Laboratories	\$25.1 million
		International Center (Old Law Center) Remodeling	4.3 million
Iowa State University	37.5 million	Molecular Biology Building	37.5 million
		Home Economics Building- Phase I	5.1 million
		Meat Irradiation Facility	1.5 million
		University Research Park Development	2.5 million
		Industrial Education Remodeling	0
		Veterinary Medicine Research Institute Laboratory	1.9 million
University of Northern Iowa	3.0 million	Latham Hall Remodeling	3.4 million

Recommendations will be made to the Board of Regents at the June meeting concerning the allocation of bond proceeds among projects at the University of Iowa and Iowa State University.

Lottery revenues were allocated by Senate File 515 as amended in the closing days of the session. For fiscal year 1988, this bill allocates a total of \$32.45 million among the four accounts established by the Iowa Plan. All of the allocations are dependent upon the generation of sufficient lottery revenues.

Of particular interest to the Regents is the allocation of \$7.4 million to the Education and Agriculture Research and Development Account. Of this total, \$7 million is allocated to the Department of Economic Development for the economic and research and development grant program. Proposals from the

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Regent universities have been reviewed and prioritized by the Board of Regents prior to submission to the Department of Economic Development. As discussed at the board meeting of May 5, 1987, Regent priorities have not been given significant consideration in this process.

A portion of the total funding under this program has been earmarked for agricultural biotechnology programs at Iowa State University. In fiscal year 1987 the first \$3,750,000 was allocated for agricultural biotechnology programs at Iowa State University; in fiscal year 1988 the first \$4,250,000 is to be allocated to these programs.

Amendments to Senate File 515 earmark additional funds. The bill specifies that \$500,000 shall be allocated to the Iowa State University National Center for Food and Industrial Agriculture Product Development and that \$250,000 shall be allocated to the University of Northern Iowa for the Decision-Making Science Institute.

As a result of these provisions, of the \$7 million available for the grant program a total of \$5 million is already earmarked. Only \$2 million is available for the competitive grant program, and it is likely that much of this will be used for applied research grants. The role of the Board of Regents in the review and prioritization of grant proposals from the Regent universities is considerably weakened. The first programs to be funded have already been identified by the legislature, and the bill provides that further proposals would be submitted directly by the universities to the High Technology Council. Despite this provision, it is recommended that the Board of Regents continue to review proposals prior to their submission to the Department of Economic Development or the High Technology Council.

Oil overcharge funds are appropriated from Iowa's share of several federal judgments against oil companies. This year the Board of Regents received \$1.5 million for energy conservation related projects. For fiscal year 1988 the Senate had approved oil overcharge appropriations to meet the first year costs of the \$10.1 million University of Northern Iowa boiler project, with intent language provided for subsequent appropriations. However, the House twice failed by close votes to concur with the appropriation of funds for this project and it is not included in the final version of the bill (Senate File 517).

Senate File 517 allocates a total of \$5.53 million for deposit in the oil overcharge account of the groundwater protection fund. Additional appropriations are made for energy conservation and related activities. An appropriation of \$30,000 is made to the Board of Regents for research by the Iowa State University Center for Industrial Research and Service (CIRAS) on establishing a waste stream for used motor oil.

The Groundwater Protection Act (House File 631) approved by the House and Senate establishes and funds centers at each of the Regent universities. The

bill provides for the establishment of the Leopold Center for Sustainable Agriculture in the Agriculture and Home Economics Experiment Station at Iowa State University and appropriates \$1.9 million for fiscal year 1988. Future year allocations are estimated at \$1.2 million per year. The Center is to "conduct and sponsor research to identify and reduce negative environmental and socioeconomic impacts of agricultural practices." It is also to "research and assist in developing emerging alternative practices that are consistent with a sustainable agriculture."

The Center for Health Effects of Environmental Contamination is established at the University of Iowa. The center is to study "the levels of environmental contamination which can be specifically associated with human health effects." For fiscal year 1988, \$79,000 is to be allocated by the Department of Natural Resources to plan for the establishment of the Center. Future year allocations are estimated to be approximately \$304,000.

The Small Business Assistance Center for the Safe and Economic Management of Solid Waste and Hazardous Substances is established at the University of Northern Iowa. The University of Northern Iowa, in cooperation with the Department of Natural Resources, is to develop and implement a program providing information regarding the regulation, use and economic management of solid waste and hazardous substances. It is also to provide advice and consultation in the handling of the substances. An allocation of \$50,000 is specified for fiscal year 1988, with allocations of \$242,000 per year estimated for future years.

An appropriation of \$120,000 is provided to the Iowa State Water Resources Research Institute for fiscal year 1988 to provide competitive grants to colleges and universities within the state for the development of research and education programs regarding alternative disposal methods and groundwater protection. Appropriations of \$100,000 per year are specified for fiscal years 1989 and 1990.

Mr. Richey stated the \$19.5 million salary adjustment funds were based on the original amount allocated to the Regents by the Department of Management. The legislature subsequently reduced the total state salary adjustment funds by \$3 million. He stated the Board of Regents might be called upon to share in some of that \$3 million reduction. Mr. Richey stated the Regents are already substantially short of having enough appropriations to fund the mandated salary policies. He stated he hoped that an adjustment would be made in the appropriation. If no adjustment is made, the hope is the Regents will not receive less than they were already earmarked for. The preliminary budgets have a big question mark on them for this reason.

Mr. Richey stated Board Office staff members were working with the Governor and his staff to urge the Governor to allow restoration of the board's self-liquidating bonding authority to stand when he signs the final bill.

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Director True stated disappointments for the Regents in this legislative session included failure to receive House approval to fund the \$10.1 million University of Northern Iowa boiler replacement. Also, lottery funds for research and development were reduced and additional money was earmarked for funding taking further from the board's discretion on deciding where dollars should be placed. Director True added that there was still uncertainty on the amount of salary adjustment funds and depending on how it is interpreted could result in recalculation of tuition revenue and possibly could result in a reversion.

Regent Duchen asked how many years the Board of Regents have attempted to replace the University of Northern Iowa boiler? Director True responded that this was the first time.

Regent Tyler stated he didn't have to remind the board that when it raised tuition last fall members were reluctant thinking such a tuition increase would send a signal to the legislature and the Governor. He said when he read all the restrictions in the salary policy bill and the part tuition played in the total revenue he felt the legislature was getting into the Regents' business and that the board could handle things without intrusion from the legislature.

Regent VanGilst stated he agreed with Regent Tyler. He also questioned whether the International Center was going to be funded at all through Academic Revenue Bonds.

Director True responded that any of the projects listed in the bonding resolution may be funded. He added that the decision on which projects get how much funding was something the Board Office would have to discuss with the institutions and bring back to the board in June.

Regent VanGilst stated the Laser Laboratory costs a minimum of \$25.1 million which is the total allotment for all projects at the University of Iowa. He said that either the Laser Laboratory costs would have to be cut back or the old Law Building would remain as it was.

Vice President Ellis stated the university had brought proposals to the board to begin essential bare bones renovation of the International Center. He said it was the university's current thinking to allocate \$100,000 toward the renovation which would, of course, reduce the funds available for the laser facility. He indicated the \$100,000 would need to be made up from another source as the laser laboratory progresses.

Regent VanGilst stated the university could not anticipate that the contracts would be less than what was originally believed. He asked what then was going to happen if there was not enough money -- make another request from the legislature?

Vice President Ellis responded that the \$100,000 could be replaced with general university funds. He said the university has already pre-funded some of the administrative costs of the laser laboratory and would not recover those costs out of the bond proceeds.

President Pomerantz asked whether the \$100,000 was a sum that was devoted to planning and not actual construction costs? Vice President Ellis said that was correct.

Regent Duchen said he raised the question in the past concerning cost estimates.

President Pomerantz stated the board had been presented with as much information as was available in terms of costs for the projects since there was no way they could have hard numbers until the plans and specifications were completed.

Regent Duchen stated it was not the \$100,000 that he was concerned about but the \$25 million.

Vice President Ellis stated the \$25.1 million figure was derived from a preliminary planning process. He said there would be a design team in Iowa City next week to begin the process to refine the design. He stated the university would not know the actual cost until all the bids were in but the \$25.1 million estimate was the figure that was derived through a complex process.

Director True stated the International Center project was listed on the capital register. He said the project would enable the university to occupy the building this fall.

President Pomerantz stated it would not be in the interest of the citizens of Iowa or the university to leave the old Law Building facility unutilized. He stated that even though the Regents are not able to get the funding they requested the Board of Regents would strive to achieve enough funds as soon as practical to get that facility utilized. He stated the board would have to work with and utilize resources they already had.

Regent VanGilst stated the Agronomy Building was not even listed in the bonding resolution, and asked whether the university was going to be able to move into that facility?

Vice President Madden responded that the addition is finished and is being utilized to the extent allowed by existing equipment. Renovation of the older part of the facility is currently underway. He stated there was still a substantial shortfall and still a basic need for equipment dollars.

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Mr. Richey stated that intent language was attached to the Board Office appropriation requiring the establishment of an interinstitutional research consortium. He assumed the planning will get underway with development of the research consortium so that a proposal could be presented to the board for its consideration and action in the very near future.

ACTION: President Pomerantz stated the legislative report was received and approved by general consent.

REPORT ON ACCREDITATION OF THE COLLEGE OF VETERINARY MEDICINE, IOWA STATE UNIVERSITY. The Board Office recommended the board receive the report on the accreditation status of the College of Veterinary Medicine at Iowa State University for 1986.

In April Iowa State University was notified that the American Veterinary Medical Association Council on Education reviewed the annual report by the Iowa State University College of Veterinary Medicine for 1986 and took action to accept the report and to continue the college's status as "full accreditation". This particular report prepared by the university provided responses to the American Veterinary Medical Association's Council on Education's recommendations in its last on-site review of the Iowa State University program (Oct. 1981). It contained interim reports on: funds for repair and replacement of equipment, the adequacy of laboratory animal housing, the addition of college credit in humanities and social sciences, and information on clerical and technical staff numbers. The university's responses to these recommendations were apparently found satisfactory by the accrediting organization. The next on-site review of this program is scheduled for October 1988. The university was congratulated for continuing accreditation of this important program.

Regent Greig asked if the College of Veterinary Medicine was going to have some tough times ahead? Vice President Christensen stated the college would be facing some financial challenges due to losing the contract with Nebraska, but from the standpoint of the quality of the program, it will be maintained.

ACTION: President Pomerantz stated the report on accreditation of the College of Veterinary Medicine at Iowa State University was received by general consent.

BOARD POLICY ON GOVERNANCE ISSUES. The Board Office recommended the board adopt the proposed policy on governance as follows:

WHEREAS, THE STATE BOARD OF REGENTS HAS BEEN DELEGATED THE RESPONSIBILITY FOR THE OVERALL GOVERNANCE AND CONTROL OF THE INSTITUTIONS UNDER ITS PURVIEW AS PROVIDED IN CHAPTER 262, CODE OF IOWA, AND

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WHEREAS, STATUTORY AUTHORITY ENDOWS THE BOARD OF REGENTS WITH THE RESPONSIBILITY FOR PROVIDING FOR THE OVERALL BEST INTERESTS OF THE INSTITUTIONS AND THE PEOPLE OF IOWA, AND

WHEREAS, THE EFFECTIVE IMPLEMENTATION OF THIS RESPONSIBILITY REQUIRES THE BOARD TO COORDINATE THE ACTIVITIES OF THE REGENT INSTITUTIONS AND TO SET GOALS AND PRIORITIES FOR THE INSTITUTIONS UNDER THE BOARD'S CONTROL, AND

WHEREAS, THE OVERALL GOALS AND PRIORITIES SHOULD BE SET BY THE ENTITY RESPONSIBLE FOR TOTAL GOVERNANCE OF AN ORGANIZATION,

THEREFORE, BE IT RESOLVED THAT IT SHALL BE THE POLICY OF THE STATE BOARD OF REGENTS THAT

All budget requests and representations to the Governor, General Assembly or other agencies of government will be approved by the board and coordinated through the Board Office to insure that institutional programs and budgets are consistent with board policy and are shaped to each university's mission and planning process approved by the board.

The board, acting through its president and executive secretary, will direct legislative activities so as to meet fully its statutory governance responsibilities and to attain the objectives for the institutions set by the board, including retention of academic freedom in all its forms and insulation of the institutions from the political process.

The board and the Board Office will have primary responsibility in representing the institution before agencies of state government. Decisions on funding allocations or competing institutional priorities involving an agency of state government must always be referred to the board.

In executing its governance responsibilities the board will under specified circumstances delegate to its president and to the Board Office.

The flow of information from the institutions to the Board Office will be sufficient for the board to exercise its governance responsibility.

The board will set the institutional missions and authorize institutional long-range plans.

At its meeting of May 5, 1987, the Board of Regents discussed the issue of governance and coordination of the institutions under its jurisdiction. It asked the Board Office to draft a resolution on the subject for the

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consideration of the board. The proposed policy addressed many of the issues about which the board had expressed concern.

President Pomerantz stated the resolution prepared by the Board Office was submitted with the intention that there would be discussion at this meeting. He said he wished to solicit input and to work with the institutions to create the best possible resolution on governance that the board could establish.

Regent Duchen stated the word governance, to him, paralleled "authority" and "responsibility". He stated he questioned whether the proposed resolution said that. Regent Duchen mentioned that he recently read in the newspaper about the appointment of a person to a major position at a Regent university which had not been known to him previously. He asked whether the proposed resolution covered that kind of activity? He stated he did not want to read about something of that nature in the newspaper before it was presented to the Board of Regents for approval.

President Freedman stated the University of Iowa concluded arrangements for that appointment about ten days previous. The candidate asked that the appointment not be made public until August due to her current position with the federal government. However, President Freedman stated that yesterday the individual told him she heard that the news was out and that she did not know the source.

President Pomerantz stated the thrust of the proposed resolution, as he earlier indicated, was that it was a discussion draft to deal with the issues of budgets, lobbying, and representation of the institutions to state governments at appropriate levels.

President Freedman stated the resolution addressed important issues which involve the coordinative role of the board and Board Office. The institutional officials would be grateful for the opportunity to consider the proposed resolution further and have the board look at it again next month. Presidents Eaton and Freedman drafted language for a proposed governance resolution and asked the Board to consider it.

President Eaton stated he and President Freedman had similar views on the writing of a governance resolution. He said they would appreciate the opportunity for the board to review the alternative language. He stated they were concerned about a very literal interpretation of the proposed resolution as currently written. As an example he noted the third paragraph of the resolution which states the board and Board Office would have primary responsibility in representing the institutions before agencies of state government. He stated Iowa State University had many discussions with state agencies such as the Department of Transportation and the Department of Agriculture. He stated a literal interpretation of the resolution would require such contact be referred through the board and Board Office. He

added that the wording the university presidents had developed aims to get around that situation but preserves their interpretation of the intention of the board's policy.

Regent VanGilst requested the Board Office staff put together the board's current policy on governance in the Procedural Guide. Next month when the board is presented with the revised resolution on governance he would like it presented side-by-side with the current policy.

Regent Tyler stated he had no problem with allowing the presidents to review the governance resolution. In reference to the word "all" in the first paragraph of the proposed resolution and the word "always" in the last sentence of the third paragraph, Regent Tyler stated he felt those two words were very important and ought to be left in.

President Curris expressed support of the remarks by President Freedman and President Eaton and stated he welcomed the opportunity to review the resolution.

President Pomerantz summarized the discussion by stating that in general the concept of a resolution on governance seemed appropriate. He stated that while there were differences as to some of the particulars, in general they were not far from reaching a resolution that would be acceptable to everyone. He directed the Board Office to refine the resolution for consideration by the board in June.

Regent Williams requested the Regents have an opportunity to review the revised resolution on governance prior to its inclusion in the June 1987 docket book to allow sufficient time for study.

Mr. Richey stated the Board Office staff would meet with the university presidents, in person or telephonically, as appropriate, to expedite obtaining an agreeable resolution.

MOTION:

Regent Tyler moved to defer action on the resolution on governance until June. Regent VanGilst seconded the motion, and it carried unanimously.

REGENTS PRESIDENT'S PROPOSAL TO PERFORM ORGANIZATIONAL AUDITS OF THE REGENT INSTITUTIONS AND BOARD OF REGENTS OFFICE.

President Pomerantz stated he wished to discuss an item which was not on the docket. He suggested that the Board of Regents, in cooperation with the member institutions on an institution-by-institution basis, engage a consultant to take part in an organizational audit of each institution including the Board Office with a view toward seeing how well structured and efficient the institutions are at this point in time. He stated he wanted it

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understood from the outset that the consultant would be selected with the input of the institutions and that any savings attributed to this process would be maintained by the institution itself in terms of redeploying those resources in carrying out their missions of excellence. He emphasized that the board must communicate with the legislature and the Governor to ensure that the savings remain with the institutions. President Pomerantz stated that as needs become more apparent it was his expectation that over time the board would be asking the legislature and the Governor for support in terms of more appropriations not less as the institutions strive for greater excellence. He stated that with the completion of the audits there would be a high level of confidence that the appropriations are being efficiently used. He added the study would help in the process of structuring the strategic plans necessary to carry out the mission statement of each institution. He noted that it is more appropriate to do some of these things in tandem rather than in a linear fashion.

Regent Duchen stated there were some people who rear a little bit when they hear that a consultant ought to take a look at things. He cautioned that it should be clearly communicated to the consultant that the board did not believe the Regent institutions were not all excellent institutions. He stated the board needed to set the stage for the consultant so they do not come in and really rip places and people apart.

President Pomerantz stated his recommendation was not intended to be negative but to be of assistance in carrying out the planning. He stated he believed the institutions to be quality institutions, and he hoped to collectively assist making them better. He stated the audits would not encroach into the areas of academic freedom.

Regent Harris asked President Pomerantz for a breakdown of what the audit would involve.

President Pomerantz responded the scope of the audit was open for discussion and would be part of the input required in the selection of the consultant. He said it would be his hope to attract educationally-oriented professionals to assist in the evaluation and study.

Regent Williams asked whether President Pomerantz was proposing this as something the board should take action on now.

President Pomerantz responded that he would like action to be taken by the board at this meeting since it would take time to select the professionals and to determine the scope of the study. He stated that a motion to begin the process in terms of defining the scope of the study and selection of the resources to carry out the study would be appropriate if the board was so inclined.

MOTION: Regent Greig moved to begin the process of determining the scope of the study of the Regent institutions and the Board Office and to determine appropriate resources. Regent Tyler seconded the motion.

President Pomerantz stated the motion would enable the board to proceed in the selection of the consultant.

Regent VanGilst stated he would like to see the scope better defined.

President Pomerantz stated he was proposing to come back with the scope of the study as well recommendations for professionals.

Regent Williams asked whether the board would be utilizing the expertise of the institutional heads.

President Pomerantz stated the institutions would have input into the selection of the professionals.

Regent Duchen asked to what degree would the institutions be involved.

President Pomerantz stated there would be input but not a case of equal voting.

Regent Harris stated he felt that the reason for this proposal was a very good one because it was tied to the financial needs of the institutions. He said the board had to convince the funding bodies that it is, indeed, in need of greater funds in order for the institutions to deliver the quality of programs expected of them. He added that perhaps in showing them the institutions do not have any "excess fat", the legislature might be willing to listen a bit more kindly to the board's funding requests. However, he added that he had difficulty trying to imagine the human configuration of the proposed study and the possible resulting action of telling a group of experts how their institution should be staffed. Regent Harris reiterated that he believed it was a good idea and he supported it.

Vice President Ellis stated during his tenure as vice president the Board of Regents had a cost effectiveness committee perform a study of the institutions. He stated his office has been reviewed by an internal faculty committee, the physical plant had been reviewed and each of the colleges was regularly reviewed by external groups for the purpose of accreditation. He added that the university itself was in the process of undergoing an external North Central Association review. He stated each of those activities brought in people from the outside with expertise to review the institution. He stated he was trying to envision how all of those reviews could be meshed considering the complexity of the university.

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Regent Tyler stated the proposed study did appear to parallel the request of the legislators at the appropriations hearing. He stated the legislators were continually asking what was going on at the universities and whether they are cooperating with each other. He stated this study might help address some of those concerns of the legislature along with the mandate in the appropriations bill requiring establishment of a research consortium. He concluded by saying that the study may help the board with its number one problem, the legislature.

Regent Harris stated this was a new and very bold step, but it might prove productive; therefore, the board should do it.

President Curris stated everyone had some degree of anxiety over the unknown. He stated the scope of the project should be defined in such a way that it does not intrude in the areas of academic freedom. He said he had some anxiety about it, but he thought the arguments were very persuasive. He said the board needed to stress that the institutions were well managed. He said he would welcome suggestions which would make the university more efficient.

Vice President Remington stated he concurred with President Curris' remarks. The institutions were very thoroughly reviewed periodically, but this study would take a different look and produce information different from that previously received. He stated that particular care should be taken in determining the scope of the review since the board already has an academic planning process in place. He said that planning process took six to nine months every other year. He added that in January or February of this year that process was concluded by a series of board resolutions which included revised institutional missions. He stated he felt it was important that the relationship with the biennial academic planning process be delineated very carefully.

President Eaton stated he welcomed the opportunity to enhance and increase the university's credibility with the Governor and the legislature that they might not gain any other way. He said that one of the things that would affect the credibility of the whole process is the firm that is selected. He suggested the board determine what other public institutions may have undergone such an audit and determine the firms engaged by those universities.

Regent Harris questioned whether the board would make an effort to select one firm for all the institutions. President Pomerantz stated that could not be said at this point in time.

Regent Harris called for the question.

VOTE ON THE MOTION: Approved.

President Pomerantz stated the board would be presented with a suggested outline for proceeding.

APPROVAL OF PROPOSED CHANGES TO REGENTS MERIT SYSTEM PAY PLAN. The Board Office recommended the board approve the following changes effective July 1, 1987: (1) pay matrices which were increased by 2 percent in accordance with legislation and negotiated collective bargaining agreements; (2) establishment of a new classification, Patient Account Representative in pay grade 509 (\$15,787.20 to \$21,611.20); and (3) deletion of the following classes: Carpet Maintenance Worker, Linotype Operator, Offset Equipment Operator I, Offset Equipment Operator II, Offset Equipment Operator III, Orthotist, Trimmer.

The 2 percent increase at each step of all of the Merit System pay matrices were approved by the legislature and are consistent with the agreements negotiated by the State and the American Federation of State, County, and Municipal Employees for blue-collar, security, technical, and clerical employees. In addition to the across-the-board increase, employees would be eligible for step increases of approximately 4.6 percent in accordance with Merit Rules and collective bargaining contracts.

The new classification of Patient Account Representative was proposed to recognize the special need at University of Iowa Hospitals for coordinating the billing and collection of fees from third party payors.

The classes proposed for deletion had no incumbents nor was future need for those classes anticipated. Linotype operators and Offset Equipment Operators were reclassified as Printers as previously reported to the board.

A public hearing on the proposed revisions was held in the Lucas State Office Building on May 6, 1987. It was attended by institutional personnel representatives. No employees or employee representatives requested to speak, and no written comments were received relative to the revisions.

MOTION: Regent Williams moved approval of the Board Office recommendation on the Regents Merit System Pay Plan revisions. Regent Harris seconded the motion, and it carried unanimously.

PAY PLANS FOR PROFESSIONAL AND SCIENTIFIC EMPLOYEES. The Board Office recommended (1) that the board adopt the following policy for the distribution of salary increases for professional and scientific staff:

All increases will be based on merit. Each staff member will receive a minimum increase of 2 percent for satisfactory performance. Increases in pay over that amount will be distributed at the discretion of the institutions.

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- (2) that the board approve revised pay schedules for professional and scientific staff of the State University of Iowa, Iowa State University, Iowa School for the Deaf, Iowa Braille & Sight Saving School, and the Board Office. (The University of Northern Iowa had not submitted a revised pay schedule. It stated that it would make a proposal with its final budget in June.)

Based on legislative appropriations and institutional allocations, salary increases averaging 7 percent are provided for institutional Professional and Scientific staff. The recommended actions would 1) establish a minimum increase of 2 percent for satisfactory service with increases over that amount allocated at the discretion of the institutions, and 2) approve pay schedules proposed by the institutions for Professional and Scientific staff for 1987-88 which incorporate increases in current pay grade minimums and maximums ranging from 2 percent to 7 percent.

The appropriations bill enacted by the Legislature for fiscal year 1988 provides for a 2 percent increase in the average base salaries of Regents professional and scientific staff plus merit increases to be allocated at the discretion of the board. Under the proposed policy an average salary increase of 7 percent during fiscal year 1988 would be available for professional and scientific staff. An increase of 2 percent would be granted for satisfactory service. Increases over that amount would be distributed at the discretion of the institutions.

The proposed pay schedule for 1987-88 for the University of Iowa professional and scientific staff was provided to Regents. The minimum salary for each range was increased by 5 percent over current range minimums and the maximum salary of each range by 7 percent. A survey of selected positions at Big Ten and Big Eight universities showed that university salaries are currently 11 percent below the average compared to a lag of 5.5 percent the year before.

Iowa State University also reported a deterioration of its position relative to average salaries paid for professional and scientific positions at other universities particularly in regard to salaries of scientific personnel such as computer scientists, engineers, chemists and physicists. To maintain its position close to the average paid by other universities, Iowa State University proposed to increase minimum salaries in its current schedule by 2 percent and to increase range maximums by 5 percent.

The proposed schedule for Iowa School for the Deaf and Iowa Braille and Sight Saving School was provided to the Regents. The minimums and maximums of the existing schedules were increased by 3 percent and the position of Director of Student/Home Services was moved from the schedule of Professional and Scientific classes at Iowa Braille and Sight Saving School to the Institutional Official category.

The proposed Board Office Professional-Scientific pay plan was adjusted by 2 percent at the minimum and maximum of each salary grade as required by statute. The system was reviewed this year, and it was recommended that a new top salary grade of 11 be established with a salary range of \$45,000 to \$65,200. A point-count review of the positions also indicated that positions of Associate Director and above be advanced one salary grade. As salary grades 1 through 3 have not been used for several years and no new Professional-Scientific positions are anticipated in the Board Office which would point-count to salary grades 1 through 3, it was recommended that salary grades 1 through 3 be eliminated and the remaining grades 4 through 11 be renumbered 1 through 8.

It was proposed that Professional-Scientific employees in the Board Office be given a salary increase of approximately 2 percent for the pay period closest to July 1, 1987, for satisfactory performance and that an average of approximately 5 percent be awarded as a merit increase with the pay period closest to January 1, 1988.

ACTION: Regent Duchen moved approval of the Board Office recommendation regarding professional and scientific compensation plans. Regent Greig seconded the motion, and it carried unanimously.

SALARY SCHEDULES FOR FACULTIES OF SPECIAL SCHOOLS, 1987-88. The Board Office recommended that the board approve (1) the proposed 1987-88 faculty salary schedule for Iowa School for the Deaf and Iowa Braille and Sight Saving School and (2) the pay schedule for extra-curricular activities.

The legislature mandated an \$18,000 starting salary for teachers in Iowa. The 1986-87 salary schedule has a \$15,000 starting salary which requires a \$3,000 increase for beginning faculty. The Board Office, superintendents, and legislative liaison encouraged the legislature to provide money for enabling the special schools to grant this increase to all faculty. The effort was sufficiently successful to make it financially possible to provide the \$3,000 to all faculty if salary adjustment funds of \$93,000 are reallocated to these institutions.

The \$3,000 added to the starting salary was added to each cell of the proposed salary schedule. This meant that each faculty member would receive an increase of at least \$3,000 for 1987-88. The cost of this increase would be \$246,000 for the present faculty and would amount to an average increase of 13.3 percent.

In addition to the increase, those whose performance has been satisfactory would be advanced one step on the salary schedule, if a step remains available to them in their track. For the present faculty such advancement

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was projected to cost \$35,325 and would amount to an average increase of \$431 or 1.9 percent.

In past years the Board Office has provided a comparison of salaries paid to teachers in other schools at selected locations on the salary matrix. Such a comparison could not be made meaningfully this year. While the overwhelming majority of school districts have established salary schedules for their faculty for 1987-88 and the Board Office knew that according to the Iowa Association of School Boards (IASB) the average salary increase was 5.5 percent, staff also knew that all of the 248 schools that compose the IASB sample would have to re-establish their salary scales to comply with the state law mandating an \$18,000 starting salary.

The Board Office also contacted schools for the deaf in the surrounding states. Only three have established salary schedules for 1987-88. They were Illinois, Nebraska, and North Dakota. The paucity of information received from them was used to complete the comparisons in two cells for the beginning teacher and for the teacher with a Masters degree and six years of experience.

Associated with the salary schedule was a pay schedule for extra-curricular activities. While the sum paid for these services has been increased by \$50 for each activity, the payment reflects an acknowledgement of appreciation by the board rather than pay calculated on an hourly basis.

The board established in 1981 a set of CONDITIONS OF APPOINTMENT for faculty at the special schools which provide that faculty are eligible for advancement on the salary schedule for satisfactory service only, that evaluations will take place and a description of the process of evaluation, that faculty have a continuing contract for employment following two consecutive years of service, that enumerated fringe benefits are provided, that certain leave policies obtain, and other items determining the employment relationship. Readoption of the CONDITIONS OF APPOINTMENT in 1985 made them applicable for all future years unless modified by board action. No modification was recommended for 1987-88. However, it was anticipated that the superintendents would recommend changes for the 1988-89 school year.

In regard to the mandate to increase beginning teacher salaries to a minimum of \$18,000, Director Wright stated that fewer than ten school systems, and possibly only one, pay teachers of grades K through 12 a beginning salary of \$18,000. He stated the Board Office reviewed the proposed salary schedule with the faculty and the superintendents, and the Board Office recommended adoption.

Regent Williams stated a minimum increase of \$3,000 for all faculty was a big jump.

Director Wright stated if each cell was not increased \$3,000, they would be faced with the problem of compaction, and it would become a morale issue.

Regent Williams stated school districts were not doing this, and with the Regents doing this it may cause definite morale problems with the public schools.

Regent Tyler stated he agreed with what Regent Williams said. He said the \$18,000 minimum was one thing but such a large across-the-board increase was another. He did state, however, that this was one area where the legislature really misled the people of Iowa.

Mr. Richey stated he was aware the proposed salary schedule was not in line with the public school legislation. He said this was a deliberate move not to collapse the salary schedule. He said everyone pushed very hard in the legislature to get the funding to implement this. He said the salary policy to grant increases based on satisfactory performance is not new this year. He said they had gone through this process of granting major increases to beginning employees at the lower end of the salary range, and every time there were serious morale problems. It was felt there was sufficient funding to implement all phases at once with the approval of the \$93,000 over the base amount. He said there were less than 100 faculty affected. He indicated this would not really affect the public schools.

Regent Williams stated she thought it was fine to give increases based on satisfactory performance. She felt the money should be divided between bringing teachers up to the minimum, awarding satisfactory performance and a larger amount for awarding excellent performers. She stated perhaps the evaluation mechanism was not strong enough.

Mr. Richey stated it seemed appropriate to address the entire scale. He said while it was a 15 percent increase at the beginning, it was only a 10 percent increase at the top side.

President Pomerantz stated this was a one-time adjustment in the scale. He said the question was good about the evaluation system.

Regent VanGilst asked whether the legislature had provided full funding for the proposed salary schedule adjustments?

Mr. Richey responded that all but \$93,000 was funded and the remainder would be drawn from the salary adjustment fund.

Regent VanGilst stated he supported the one-time adjustment and suggested the board work on the area of compensating teachers for their excellence.

President Pomerantz asked for comments from the superintendents.

Superintendent Giangreco pointed out that in the ten state area, the Iowa School for the Deaf was at the bottom on teachers' salaries. He said that the proposed salary increases and adjustments would just about bring the school up to where the other ones were. He added that the Iowa School for the Deaf staff was very appreciative and that they deserved the increase. He stated the teachers' salaries were low and they had a hard time getting the qualified people they needed in the schools. He noted the teachers were evaluated regularly.

Superintendent Young stated the special schools were dealing with a national pool of people and, therefore, they need to be able to offer a competitive salary. She stated they worked very hard in order to achieve this for their teachers. One other thing she asked to make note of was that in order to get into phase 3 of the salary adjustment bill they have to identify teachers who provided in-service for other teachers and who perform as consultants. She stated the Iowa Braille and Sight Saving School teachers have always carried out those functions.

MOTION: Regent Tyler moved approval of the proposed 1987-88 faculty salary schedule for Iowa School for the Deaf and Iowa Braille and Sight Saving School and approval of the pay schedule for extra-curricular activities. Regent Greig seconded the motion, and it carried unanimously.

Mr. Richey complimented Frank Stork, legislative liaison, on his work in the legislature on behalf of the special schools.

PRELIMINARY BUDGET REQUESTS FOR FISCAL YEAR 1988. The Board Office recommended the board (1) Receive the report on preliminary budgets and budget policies for fiscal year 1988; (2) Approve the preliminary distribution of the salary adjustment appropriation; (3) Approve the preliminary distribution of \$16,205,000 in fiscal year 1988 tuition replacement appropriations and anticipated unspent fiscal year 1987 tuition replacement appropriations; (4) Approve the preliminary budgets for the following special purpose appropriations:

Water Resources Research Institute	\$ 99,900
Fire Service Institute	389,456
Small Business Development Centers (lottery funds)	825,000
Rural Concern Hotline	89,910
SCHS: Mobile and Regional Clinics (including federal block grant funds)	2,713,861
Livestock Disease Research	299,700

(5) Direct that budgets for new special purpose appropriations authorized by the General Assembly be presented to the board for approval at its June meeting; (6) Direct that an interinstitutional committee in cooperation with the Board Office examine health insurance coverages and costs and report to the board in the fall on alternatives to provide appropriate health insurance coverage at manageable cost; and (7) Set salaries of institutional heads for fiscal year 1988.

Almost all of the expenditure budget growth was in salaries and fringe benefits with increases of 12 percent overall. The revenue budget growth is in sales and services income increases of 13.5 percent (principally hospital revenues), student fee income growth of 14.6 percent and appropriations of 7.7 percent. Appropriations income included the salary adjustment fund appropriations. The total resource budget was projected to grow by 10.7 percent.

Director True stated that the general docket budget item dealt basically with policy questions and the allocation of certain special purpose funds. He said each institution had a preliminary budget item listed on their respective dockets. He stated the budgets would be prepared in more detail for final budgets to be presented in June.

Principal budget issues were identified as follows:

- * Supplemental funds were provided to each university for Improving Educational Quality projects approved by the board.

University of Northern Iowa - \$1,250,000 supplemental funds with no specific amount stated for educational quality except that the Governor recommended and the legislature appropriated \$250,000 additional for new faculty positions.

University of Iowa - \$1,780,000

Iowa State University - \$1,780,000

- * Faculty salary policies:

11 percent increases available through tuition and appropriations revenues with additional increases from internal reallocation. The board is being asked to approve internal reallocation plans designed to yield average faculty salaries increases in excess of 11 percent.

- * Professional and Scientific staff salary policies:

University of Iowa	7 percent
Iowa State University	7 percent
University of Northern Iowa	8 percent

Only 3.5 percent increases are funded through appropriations.

- * Tuition replacement appropriations are expected to be adequate unless changes are introduced in the issuance schedule of Academic Building Revenue Bonds authorized last year. Issuance of bonds authorized this year in Senate Concurrent Resolution 35 could also affect tuition replacement needs in fiscal year 1988.
- * Salary adjustment appropriation allocations of \$19.5 million fully fund special school needs and fund only partial needs for the universities.

Salary funds were proposed to be distributed to provide an equal and approximately 5 percent faculty salary increase at each university. A statutory requirement calls for a change in this allocation of state appropriations for faculty salaries based upon revised revenue estimates from the tuition rate increase. Depending upon how it is interpreted, this could result in a redistribution of salary adjustment funds among the universities.

- * Appropriations as a percentage of general university and special school budgets are as follows:

University of Iowa	69 percent
Iowa State University	68 percent
University of Northern Iowa	76 percent
Iowa School for the Deaf	96 percent
Iowa Braille and Sight Saving School	96 percent

- * The University of Iowa Hospitals and Clinics proposed a 5.5 percent rate increase and rate increases were proposed for other health units at the University of Iowa.

Vice President Ellis commented about one aspect of the proposal for salary adjustment appropriations allocation among the institutions. He stated comparable worth allocations involved two categories: step restoration and comparable worth appeals. He said each institution submitted its request to the Board Office and from there the request went to the legislature. He stated the comparable worth allocations did not include the fringe benefit costs. He stated the amount the University of Iowa received was \$91,000 less than the original amount requested and was insufficient to pay the full cost. He said the university was already making up the shortfall in fringe benefits and was reallocating to provide professional and scientific increases. He said the additional \$91,000 shortfall puts the university in an even more severe situation. He recommended the university be given the full amount of its original comparable worth request.

Director True stated the comparable worth allocations proposed by the Board Office represented approximately 75 percent of the actual need. He said that since there was not enough money to meet the full need for each institution, the Board Office felt the fairest way was apply the reduction evenly. He stated that funds may be restored through additional funding or through a supplemental appropriation in the next legislative session. He believed it was the legislature's intent to fully fund comparable worth costs.

Mr. Richey stated each institution was equally short from a percentage standpoint.

MOTION: Regent Harris moved to accept the Board Office recommendation regarding preliminary budget requests for fiscal year 1988. Regent Duchen seconded the motion, and it carried unanimously.

POLICY ON ALTERATION OF RESIDENCES OF INSTITUTIONAL HEADS (SECTION 9.07, REGENTS PROCEDURAL GUIDE). The Board Office recommended the board approve a policy on alteration of residences of institutional heads and approve adding the policy statement in Section 9.07 of the Regents Procedural Guide.

The following policy statement provides the board an opportunity to review proposed alterations or improvements before they are initiated. The Board Office has worked to develop appropriate wording that would be added to Section 9.07 of the Procedural Guide. The proposed policy was shared with the institutional business officers.

Alternations to the Residence of Institutional Heads

Institutions shall obtain the board's approval prior to initiating any renovation, modification or improvement to the official state-owned residence of an institutional head if the cost is expected to exceed \$1,000. Routine maintenance, repair or replacement projects are excluded from this requirement.

Mr. Richey stated a specific policy of this nature was needed to ensure the board is informed of anticipated alterations. He said that over the years the board has found reason for such a policy. He added that the Board Office reviewed the policy with the institutional heads.

Regent Tyler asked the reason for the \$1,000 figure.

Mr. Richey responded that if implementing the new policy became too burdensome for the board the amount could be changed at a later date.

President Pomerantz stated there was a statement in the policy that addressed "routine maintenance".

MOTION: Regent Tyler moved approval of the policy on alteration of residences of institutional heads and to add the policy statement to the Regents Procedural Guide. Regent Williams seconded the motion, and it carried unanimously.

FINAL ADOPTION OF SUSPENSION OF PARIETAL RULES AT UNIVERSITY OF IOWA AND UNIVERSITY OF NORTHERN IOWA. The Board Office recommended the board approve final adoption of amendments to Chapter 2, "Supplemental Specific Rules for Each Institution", Iowa Administrative Code.

The Administrative Rule process requires the final adoption of rules (including any changes) following public hearing on the rule. As required, a hearing was held by Dr. Barak on April 29, 1987 in the Lucas Building. No oral or written comments were received at the hearing.

A review of these proposed rules was conducted by the legislative Administrative Rules Committee on May 19, 1987. No adverse comments or changes were made at this meeting.

Mr. Richey stated this was a routine item and that the Board Office had received no complaints from the legislative rules committee.

MOTION: Regent Harris moved approval of the final adoption of suspension of parietal rules at the University of Iowa and the University of Northern Iowa. Regent VanEkeren seconded the motion, and it carried unanimously.

RESIDENCY APPEAL. The Board Office recommended the board (1) uphold the decision of the Registrars' Committee that Mr. Sidney should be classified a resident for tuition purposes effective with the Summer Session 1987 and (2) request that the Registrars' Committee conduct a thorough review of the residency rules and report their recommendations for change to the board in October.

Section 6.22 of the Regents Procedural Guide provides for an opportunity for a student to appeal an institutional decision regarding residency status for tuition purposes by appealing to the Board of Regents. Such an appeal was received last month from Michael Kevin Sidney and was referred to the Registrars' Committee on Coordination for review and recommendation. The Registrars' Committee on Coordination reviewed the appeal for Mr. Sidney as

requested by the Board Office. While the committee recognized the basis of the decision made by the University of Northern Iowa, it decided to give great weight to the fact that Mr. Sidney was a former resident of Iowa (for 25 years) and has strong family ties to the State. The committee then voted unanimously to reclassify Mr. Sidney as a resident for admission and tuition purposes effective with the Summer Session, 1987.

The reason for the difference between the original UNI decision and the committee's decision was related to the due process procedures. The registrar's offices operate on the premise that they do not have authority to differ from the prescribed residency rules. On appeal, the appeals committee has broader discretion because it can take into consideration a broader range of circumstances and has somewhat more leeway in the interpretation of the rules. In this case, the University of Northern Iowa's original decision was a correct one according to the Regents rules; however, the appeals committee took into consideration certain extenuating circumstances in which the rules can be viewed in a more flexible context.

In discussing this decision with the Registrars' Committee, a number of concerns were raised regarding the adequacy of the current residency rules. On the basis of this discussion and problems with certain other aspects of the residency policy, it was recommended that the board request the Registrars' Committee conduct a thorough review of the residency rules contained in Section 6.22 of the Procedural Guide. Following the completion of the review, the committee should make recommendations to the Board of Regents for any needed changes or additions. It was recommended that this review be completed by October 1987.

MOTION:

Regent Harris moved approval of the Board Office recommendation on the residency appeal of Michael Kevin Sidney. Regent Williams seconded the motion, and it carried unanimously.

APPEAL OF EMPLOYEES. The Board Office recommended the board adopt the Findings of Fact, Conclusions of Law and Decision recommended by its counsel terminating the continuing contracts of Dana Anderson, Laurie Lee, and Janice Wood at the Iowa School for the Deaf as a part of a reduction in the work force due to a large drop in enrollment.

Director Wright stated that at the April board meeting the Regents heard the position of Superintendent Giangreco concerning the termination of Mr. Anderson, Ms. Lee, and Ms. Wood which the superintendent identified as a part of a reduction in force at the school. The board received briefs from counsel for Mr. Anderson and Ms. Wood which presented their argument as to why they should not be terminated from the staff. Ms. Lee appeared by counsel, Ms. Becky Knutson, who provided arguments as to why Ms. Lee should not be terminated.

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Director Wright stated that, as requested by Ms. Knutson, the record for these terminations was left open until May 13. Each of the three parties elected to submit additional information. He stated all of those documents were reviewed by the Assistant Attorney General, Merle Fleming, and, based on those documents and the record, she developed Findings of Fact, Conclusions of Law and a Decision for the Board of Regents to consider. He stated that in the case of the two faculty, Ms. Lee and Mr. Anderson, the reason for their terminations was a budget reduction. Ms. Fleming concluded that the institution had acted appropriately in those terminations. Director Wright stated that in the case of Ms. Wood the process was basically the same except that there were no other faculty to look at to compare qualifications and seniority. Ms. Fleming concluded that Ms. Wood's termination was appropriate given the fact that the number of students had reduced from nearly 400 to 130, and was continuing to get smaller.

MOTION: Regent Greig moved to adopt the Findings of Fact, Conclusions of Law and Decision recommended by its counsel terminating the continuing contracts of Dana Anderson, Laurie Lee, and Janice Wood at the Iowa School for the Deaf as a part of a reduction in the work force due to a large drop in enrollment. Regent Tyler seconded the motion, and it carried unanimously.

CHANGES IN INSTITUTIONAL MANDATORY RETIREMENT POLICIES. The Board Office recommended that the board approve changes in the universities' mandatory retirement policies which remove age 70 as the age of mandatory retirement for all university employees except faculty and those in executive or high policy-making positions at all three universities.

In November 1986 the board considered the impact of federal legislation on mandatory retirement. The new federal law provides that there shall be no mandatory retirement with two exceptions, tenured faculty and certain executive and high policy-making employees. The exception for tenured faculty provides that mandatory retirement at age 70 can continue until December 31, 1993. The board requested that the universities provide policy changes at the December meeting. In December the universities requested more time to consult with institutional constituents and national organizations. That consultation is now complete and the universities requested approval of their revised policies.

The State University of Iowa's policy and Iowa State University's policy provided that the universities --

- 1) maintain the mandatory retirement age of 70 for tenured faculty;

- 2) maintain mandatory retirement at age 70 for executive and high policy-making positions if the incumbent's retirement income would meet a federal standard (presently \$44,000 per year); and
- 3) remove the mandatory retirement policy for all other faculty and staff.

The University of Northern Iowa's policy stated that there was mandatory retirement for tenured faculty on June 30 following the attainment of age 70. The University of Northern Iowa elected not to state the exemption for policy-making and executive positions because the university maintained that incumbents in such positions serve only at the pleasure of the board. The Board Office recommended that the university change its proposed policy to include mandatory retirement at age 70 for executives and high policy-making positions as was proposed for the State University of Iowa and Iowa State University.

Regent Tyler asked why the University of Northern Iowa did not feel its policy should be the same as the other two universities.

President Curris responded that he felt there was not a world of difference between their policies. He said he did not believe it was necessary to make it a board policy because he felt that persons in the exempted positions served at the board's pleasure.

Mr. Richey stated he did not believe legally President Curris's interpretation would be considered correct.

MOTION:

Regent Harris moved approval of the Board Office recommendation that the board approve changes in the universities' mandatory retirement policies which remove age 70 as the age of mandatory retirement for all university employees except faculty and those in executive or high policy-making positions at all three universities. Regent Tyler seconded the motion and it carried unanimously.

APPROVAL OF TEACHING AGREEMENTS AT THE UNIVERSITY OF IOWA AND THE UNIVERSITY OF NORTHERN IOWA. The Board Office recommended the board approve the proposed cooperative student teaching agreement form for 1987-88 and authorize the executive secretary and presidents (or their designee) to sign the individual agreements.

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Consistent with the requirements contained in Section 7.17 of the Regents Procedural Guide, the University of Iowa and the University of Northern Iowa submitted their Cooperative Student Teaching Agreement for approval by the board. The teaching agreement submitted by the universities for 1987-88 were identical to those used in 1986-87.

Regent Williams asked whether Iowa State University had a separate form and why theirs was not being submitted at this meeting.

President Eaton responded that Iowa State University agreements were submitted to the board for approval last month.

MOTION: Regent Harris moved approval of the Board Office recommendation on teaching agreements at the University of Iowa and the University of Northern Iowa. Regent Greig seconded the motion, and it carried unanimously.

BOARD OFFICE PERSONNEL REGISTER. The Board Office recommended that the board approve the Register of Personnel Changes as outlined below:

Termination during probationary period: Patty Rinehart, Account Specialist, effective April 30, 1987;

Appointment (5 hours per day): Christine Schnell, Account Specialist, Pay Grade 511, Step 1, \$8.16 per hour, effective May 1, 1987.

ACTION: President Pomerantz stated the Board Office Personnel Register was approved on the consent docket.

APPOINTMENTS TO COMMITTEES. The Board Office recommended the board approve appointments to boards and commissions as shown below:

<u>NEW APPT.</u>	<u>COMMITTEE</u>	<u>PREVIOUSLY HELD BY</u>
Williams	Iowa Coordinating Council for Post-High School Education	Anderson
VanEkeren	Iowa Coordinating Council for Post-High School Education (alternate for VanGilst)	McDonald
Fitzgibbon	Iowa Public Broadcasting Board	Anderson
VanEkeren	Iowa Public Broadcasting Board	Murphy

<u>NEW APPT.</u>	<u>COMMITTEE</u>	<u>PREVIOUSLY HELD BY</u>
Pomerantz	Iowa State University Foundation Board of Governors (Ex Officio) Iowa Centennial Memorial Foundation (Ex Officio) Ad Hoc Banking Committee (Ex Officio)	

Mr. Richey stated the above appointments needed to be made at this meeting because of the retirement of three Regents.

MOTION: Regent Harris moved approval of the appointment to boards and councils as presented. Regent Tyler seconded the motion, and it carried unanimously.

NEXT MEETINGS.

Mr. Richey asked whether the Regents were interested in changing the location of the July meeting to Lake Okoboji. He stated the Regents could tour the Lakeside Laboratory. The meeting would be held at the Village West hotel. He added that rooms were available for the evening of July 7.

The Regents concurred that they wished to hold the July meeting at Lake Okoboji.

Several more changes were then made to the schedule of meetings. The results are as follows:

June 17-18, 1987	University of Northern Iowa	Cedar Falls
July 8	Lake Okoboji	
August	NO MEETING	
September 16-17	University of Iowa	Iowa City
October 21-22	Iowa State University	Ames
November 11-12	Iowa School for the Deaf	Council Bluffs
December 9-10	University of Northern Iowa	Cedar Falls
January 20, 1988	Iowa State University	Ames
February 17-18	Des Moines	
March 23-24	Des Moines	
April 19	University of Iowa	Iowa City
April 20	Iowa Braille & Sight Saving School	Vinton
May 25-26	University of Northern Iowa	Cedar Falls
June 22-23	Iowa State University	Ames
July 13-14	University of Iowa	Iowa City

EXECUTIVE SESSION. President Pomerantz requested that the board enter into closed session pursuant to the Code of Iowa section 21.5(1)(i) to conduct a person's performance and the person had asked that the board meet in closed session, and pursuant to 20.16(3) to conduct a strategy session of a public employer.

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

The board having voted at least two-thirds majority resolved to meet in executive session beginning at 4:21 p.m. on May 27, 1987, and arose therefrom at 6:50 p.m. on that same date. President Pomerantz stated no further public business would be conducted until the board reconvened in open session at 9:00 a.m. on May 28.

The following business was transacted on May 28, 1987.

REPORT OF REGENT BANKING COMMITTEE. The Board Office recommended the board hear the report of the ad hoc Banking Committee which met on Thursday, May 28, 1987, at 7:30 a.m.

Director True stated the Regent Banking Committee, chaired by Regent Duchen, discussed quarterly investment reports of each of the institutions and bond financing planned for the remainder of this year and next. The committee will address the board in June to discuss in more detail how to proceed on financing a variety of bond projects. The committee also discussed changes in variable interest rates for \$68 million in variable rate bonds for University of Iowa and Iowa State University boiler projects. Interest rate change dates had been lengthened from weekly to annually.

ACTION: President Pomerantz declared the report of the May 28, 1987, meeting of the Regent Banking Committee received by general consent.

PRELIMINARY BUDGET, BOARD OFFICE FOR FISCAL YEAR 1988. The Board Office recommended the board approve the preliminary budget for the Board Office for fiscal year 1988 in the amount of \$852,209.

The proposed preliminary budget for the Board Office for fiscal year 1988 of \$852,209 was predicated on the same number of positions as in the current

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year and a level budget for other operating expenditures from that approved a year ago. The budget is financed by a combination of state appropriations and institutional reimbursements. The Board Office estimated that state appropriations would increase by \$50,159 and that institutional reimbursements should increase by approximately \$12,500.

MOTION: Regent Harris moved approval of the preliminary budget for the Board Office for fiscal year 1988. Regent Tyler seconded the motion, and it carried unanimously.

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

STATE UNIVERSITY OF IOWA

The following business was transacted on Wednesday, May 27 and Thursday, May 28, 1987.

MANDATORY STUDENT FEE DISTRIBUTION. The Board Office recommended the board approve the university's proposed allocation of student activity fee income for fiscal year 1988.

In April the board approved the level of fiscal year 1988 student activity fees for the University of Iowa. The university indicated that consultation would take place with student groups and a proposed distribution of the income among a variety of student activities would be presented to the board in May. Consultation on the distribution of the activity fee income took place but the recommendations of student government and the university differ. The difference concerns funding for Recreational Services with student government recommending much sharper reductions in Recreational Services than the university could support.

Vice President Ellis stated the mandatory student fees, which are collected as part of tuition and fees by the university, are allocated pursuant to a schedule approved by the board. The University of Iowa's student activity fees are divided into three categories: student activities, student services, and building fees. He said that university officials have consulted with leaders of student organizations on the distribution of fees. Vice President Ellis stated the issue had been treated in the same way as other budget decisions as far as funds collected and acquired by the university. Those closest to the process assist in making the decision. He stated great deference is given individuals. He stated a year ago the university recommended institution of a student health fee which was not approved by the board. This led to the university's supporting an increase in the student activity portion of about 36 percent. This year given the financial circumstances, the university recommended and the board approved that the total amounts in those categories remain the same for the coming year. In its approval the board left open the approval of the distribution of the student activity fees.

Vice President Ellis indicated the student organizations proposed a distribution for those fees. He indicated the proposal reflected considerable reallocation proposed by the students which would have reduced the proportion allocated to recreation services from \$1.03 to \$.36 per semester. The Recreation Services Advisory Committee conferred with the director and considered various ways in which they might respond to the proposal including the possibility of obtaining a different allocation. He noted that a petition was received with approximately 4,000 signatures. Vice President Ellis stated that the university did not make budget decisions on the basis of petitions but indicated the petition confirmed that a large

number of students participated in recreation services. He stated that never in the history of the university has there been more extensive use of recreation facilities. He stated the student organizations were informed the university could not support their proposals but modified the university's recommendation from \$1.03 to \$.71 allocated to recreation services. He stated the University of Iowa was by far the lowest in the Big 10 for allocation to recreation services. Other allocations of other Big 10 universities range from \$25 to \$85 per year.

Regent VanEkeren asked what the fees were actually supporting.

Vice President Ellis stated the uses for which the fees have been put are for the support of university sports club, student wages for 20 part-time staff and 20 part-time intramural officials. He noted the fee had been approved by successive student government groups over the years.

Vice President Ellis introduced Mike Reck, President of the Collegiate Associations Council, and Joe Hansen, President of the Student Senate.

Mr. Reck told the board members that the Consumer Price Index had increased 6.2 percent and, therefore, they found themselves in a position where certain groups' budgets had to be increased. They then identified the two groups that had the potential to absorb the cut through revenues generated by fees and participation costs. He stated that 98 percent of other groups' revenues came from mandatory student fees. Therefore, the students proposed to reallocate in those two areas. He stated it was a difficult decision that they had to make.

Mr. Reck stated a back-up transmitter was needed for the radio station. He said that by eliminating the recreational service towel service the students could purchase a back-up transmitter. In regard to the petition referred to by Vice President Ellis, Mr. Reck stated the signatures were gathered by persons who work for the intramural programs. Those employees were told their hours and jobs would be cut. Therefore, the signatures were collected by paid employees who were told they would lose their jobs. Mr. Reck asked the Board of Regents to ratify the decision made by the student government.

Mr. Hansen stated this was the first time that the student activity fee distribution had been altered by the administration. He said usually the student government determined the distribution of those fees. He expressed concern that a dangerous precedent might be set for the future.

Regent VanEkeren stated she was concerned about the size of the cut in recreational services. She said she was aware in other areas that cuts were phased in.

Mr. Reck responded that the student government looked at spreading the cuts to other areas. He said they made the decision not to spread the cut out

because it would unfairly penalize the groups that did not receive funding from sources other than the student activity fee. He stated it was not a matter of the student government lacking interest in recreational services because it was the student government that paid for renovation of the Field House. He said there was a short-term financial problem this year and they were asking recreational services to "bite the bullet".

Regent Greig asked why the student government was proposing to make such a large reduction in recreational services when that was an area that would affect the most students.

Mr. Reck responded that because it is being used by all was why it could take the cut. He stated faculty and university staff also used the Field House and Racquetball Club. He added that the \$38,000 could be absorbed by the university because it was such a small percentage of their total budget.

Vice President Ellis corrected the statement in the docket materials that last year the student activity fee portion of tuition increased 36 percent. He stated it was 12 percent per semester and 36 percent for the summer. Another item he asked to clarify was that never before had the university administration disagreed with the students on the distribution of the student activity fees. He said prior to last year such disagreements occurred on a more informal basis. He said with regard to discontinuing the towel service that recreation provided towels for hygienic reasons to the persons who had lockers. He stated he strongly doubted whether the towel service would be discontinued, and expected that any cuts would be absorbed in other areas.

Regent Duchen asked why the university was recommending \$.71 per semester for recreation services.

Vice President Ellis stated that goes to giving a great deference to the user groups. He said they tried to accommodate their needs up to a point, and this happens in other budget units also.

Regent Williams asked what services would be cut by reducing the recreational services allocation from \$1.03 to 71 cents per semester?

Vice President Ellis stated that would be decided through a consultative process. He said there was a strong preference against higher fees for usage. Recreational services was not getting any increase in general fund allocation.

MOTION:

Regent Greig moved the board approve the university's proposed allocation of student activity fees income for fiscal year 1988. Regent Duchen seconded the motion, and it carried with Regent VanGilst voting nay.

President Pomerantz complimented the students on the excellent presentation and the way they handled themselves, as well as for driving from Iowa City to Council Bluffs. He asked them not to give up and suggested they go back to the university officials and try to work something out.

REGISTER OF PERSONNEL CHANGES. The Board Office recommended the board approve the register for the month of April 1987.

ACTION: President Pomerantz stated the university's Register of Personnel Changes was approved on the consent docket.

BACHELOR OF FINE ARTS DEGREE IN DANCE. The Board Office recommended the board refer this item to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The University of Iowa recommended the establishment of a Bachelor of Fine Arts (BFA) Degree in the area of Dance. This degree would provide a more concentrated program of study for persons interested in professional performance careers in Dance and thus will complement the current Bachelor of Arts Degree offered in this field according to the university's proposal.

ACTION: President Pomerantz stated the Board Office recommendation to refer the university's recommendation to establish a Bachelor of Fine Arts Degree in the area of Dance to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation was approved by general consent.

APPOINTMENT. The Board Office recommended the board approve the appointment of Andrew J. Policano as Associate Dean for Academic Affairs in the College of Business Administration for a three-year term effective July 1, 1987, salary as budgeted for 1987-88.

President Freedman stated the university was requesting approval of two appointments. One was not received by the Board Office in time for inclusion in the docket books; therefore, that information was distributed to Regents at this meeting.

The additional appointment requested by the university was that of Susan M. Phillips as Vice President for Finance and University Services, and Professor of Finance in the College of Business Administration, effective August 10, 1987, at a fiscal year salary of \$105,000.

MOTION: Regent Williams moved approval of the appointments of Andrew J. Policano and Susan M. Phillips as presented. Regent Harris seconded the motion, and it carried unanimously.

FACILITY NAME. The Board Office recommended the board ratify the naming of the University of Iowa outdoor track and field complex as the Francis X. Cretzmeyer Track. The proposed name for the University of Iowa outdoor track and field complex appeared to be appropriate and was recommended for approval.

President Freedman stated the dedication ceremony of the Francis X. Cretzmeyer Track was held the previous week, subject to the board's approval. The board was unable to approve the naming of the track prior to the dedication ceremony due to the postponing of this meeting.

MOTION: Regent Harris moved to ratify the naming of the University of Iowa outdoor track and field complex as the Francis X. Cretzmeyer Track. Regent VanEkeren seconded the motion, and it carried unanimously.

ESTABLISHMENT OF THE CENTER FOR HEALTH EFFECTS OF ENVIRONMENTAL CONTAMINATION.

Vice President Remington distributed information on this supplemental docket item to Regents. A portion of the information read as follows:

According to the Senate Amendment to House File 631 (unchanged by the conference committee report), new section 263.14 is added to the Iowa Code. This section provides that the "state board of regents shall establish and maintain at Iowa City as an integral part of the State University of Iowa the center for health effects of environmental contamination... ." New section 263.14 also indicates that the center shall be a cooperative effort of representatives of several named organizations. The representatives constitute an advisory committee for the center.

Vice President Remington stated that in light of the legislation, university officials felt the Board of Regents may want to be presented with this item at this meeting. He stated the financial support for the center would be provided through the legislation. He said that if the board decided to confirm the legislature's action, the university requested E. Peter Isacson be confirmed as the acting director. The university was anxious to prepare grant applications and meet the necessary deadlines and the faculty was quite

enthused. He stated this action was part of the groundwater bill and appropriations bill.

MOTION: Regent Greig moved that the Board of Regents confirm the establishment of the Center for Health Effects of Environmental Contamination and approval of the appointment of E. Peter Isacson as its acting director. Regent Harris seconded the motion, and it carried unanimously.

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

PROJECT DESCRIPTIONS AND BUDGETS:

<u>Chilled Water Plant Parking Structure</u>	<u>\$6,625,000</u>
Source of Funds: Parking System Improvement	
Reserves	\$1,000,000
University Hospitals	
Building Usage Fund	972,000
Treasurer's Temporary	
Investment	270,000
Self-Liquidating Revenue Bonds	
or another form of debt	
financing	<u>\$4,383,000</u>

This project involved constructing a five-deck parking structure with space for 545 cars. The parking structure will contain 195,000 square feet and include expansion space for Chilled Water Plant mechanical equipment and record storage space for the University Hospitals.

The parking structure will be constructed over a portion of the west side Chilled Water Plant. The water plant was initially constructed to allow future construction of the parking ramp. Additional parking is essential in the area of the hospital because of growth in the hospital's usage, particularly outpatient services.

Ms. Davis stated the Chilled Water Plan Parking Structure would address a much-needed parking addition for outpatients and visitors at the University Hospitals and Clinics. She said the Chilled Water Plant was built with the idea that parking would be put on top of it. She stated a feasibility study was conducted and found that it would be feasible to do this.

Mr. Gibson discussed the parking structure in more detail. He stated the Chilled Water Plant was built twenty years ago and the need for chilled water is still growing. The parking facility would be built on top of the water plant. Storage space for the hospital records would be provided inside the

parking structure. He said they would try to match the brick of the new parking structure with that of Kinnick Stadium. The university is concerned about security. The parking facility will contain a glass elevator tower and two elevators. The university will bid the project in two phases. The first phase would be for the pre-cast structure and the later phase for the completion of the project.

Regent Harris expressed concern about patient access to the hospital when they have to compete with the football crowd.

Mr. Gibson stated those details were worked out each fall assuring rapid and efficient access to the hospital.

Regent Harris stated it was obvious that the parking facility would cause more congestion on Saturday.

Vice President Ellis stated the hospital had a procedure for air transportation of patients. He added that every year they consult with members of the medical community to discuss the kind of congestion that occurs around the University Hospitals and Clinics.

Regent Harris asked if there were any sites in the immediate vicinity of the hospital that could be used as a landing site for the hospital helicopter.

Vice President Ellis stated Oakdale was one site. A patient could be taken to Oakdale and then transported by air to the university hospital.

Water Treatment Plant Expansion \$3,062,000
Source of Funds: Income from Treasurer's Temporary
Investment, unless capital funding
is provided by the General Assembly

This project involves constructing additional production capacity at the university's water treatment facility. The facility has a capacity of 4 million gallons per day. Because of increasing demand the plant's daily output frequently exceeds design capacity. The expansion will increase the capacity to 6 million gallons per day. The existing plant was constructed in 1963.

The university requested approval of an engineering agreement with Stanley Consultants, Inc., Muscatine, Iowa. The compensation for the design services agreement is \$227,500 for basic services and \$24,500 for reimbursables.

University Hospitals and Clinics--Neuroradiology
Procedure Suite \$1,302,470
Source of Funds: University Hospitals Building Usage Funds

This project would finish approximately 7,500 square feet of shelled-in space immediately adjacent to the Diagnostic Radiology Suite on the third floor of the Colloton Pavilion. Shelled-in space is constructed space that is enclosed by structure such as floor, roof and exterior building skin but has not yet finished with mechanical, electrical systems or interior walls or finishes. The project includes construction of three procedure rooms, a radiographic room, reception and waiting areas, prep rooms, and a computer image viewing room.

Burge Hall--Primary Electrical Renovation \$379,500
Source of Funds: Dormitory Improvement Reserves, General
University Building Repairs or
Treasurer's Temporary Investment

This project involves construction of a new 15 kilovolt electrical service loop to replace outdated electrical service to this portion of campus. The project would construct a new electrical duct bank located west of Burge Hall, a new substation, two transformers, high voltage switchgear and high voltage cabling. The loop is part of the campus distribution system. The project cost is apportioned among users of the services, including the residence system and the general university.

The general construction would be accomplished through the formal bidding process. The university's Physical Plant Department personnel will undertake the high voltage work. The cost of the Physical Plant labor is estimated at \$9,600.

University Hospitals and Clinics--Shipping and Receiving Facility Access Road \$213,000
Source of Funds: Institutional Road Funds and
Treasurer's Temporary Investment

This project involves reconfiguring the roadway and ramp area associated with the University Hospitals Shipping and Receiving Facility. The roadway connects south Grand Avenue to the new Shipping and Receiving Facility that is being constructed. The access road is a State Parks and Institutional Road project. The project is included in the Five Year Institutional Road Program approved by the board in November 1986.

Because the project is an institutional road project, the board was asked to approve an interagency agreement with the Iowa Department of Transportation. The agreement authorizes the design and construction management of the project under guidelines established by the Iowa Department of Transportation. The Department of Transportation will be asked to approve the agreement after the board has taken action.

The university requested approval of Shive-Hattery Engineers, Inc., Iowa City, Iowa, as project engineer. The design agreement is for a fixed fee of

\$27,000. This agreement is subject to approval and concurrence of the Iowa Department of Transportation.

Regent Harris asked exactly where the road would be located.

Regent Duchen stated that as late as last Sunday he drove through that area and saw the cranes and the other construction equipment. He said he was dismayed to see that what was being done to a reasonably aesthetic area.

Vice President Ellis stated the area is extremely congested. To the extent that the university has given thought as to what may occur in the future, he stated any new athletic facilities would be located away from the health care facilities.

The university presented for the board's approval budget increases on three projects:

Iowa Memorial Union Remodeling--Phase I and II

Source of Funds:	Handicapped Barrier Removal Appropriation	\$ 105,000
	Net Proceeds from Sale of Self-Liquidating Revenue Bonds	8,000,000
	Internal Funds (Building Repairs or Treasurer's Temporary Investment)	735,000
	Interest Income	636,000
	Iowa Memorial Union Plant Fund	380,000
	Student Fees and Student Income	<u>432,200</u>

Original Budget	<u>\$10,193,200</u>
Revised Budget	<u>\$10,288,200</u>

The university requested approval to increase the project budget by \$95,000. The board approved the original budget in May 1986. The budget increase was necessary because of additional construction work to incorporate improvements to access for the physically handicapped.

The following two projects, with project budgets under \$250,000, were approved by the board in March of this year. In accordance with the board procedures, the university reported budget adjustments on projects of less than \$250,000.

University Hospitals and Clinics--Renal Hypertension Faculty Offices

Original Budget	<u>\$215,880</u>
Revised Budget	<u>\$231,850</u>

Source of Funds: University Hospitals Building
Usage Funds

<u>Museum of Art--Rebuild Patio Steps</u>	Original Budget	<u>\$60,065</u>
Source of Funds: General University Building Repairs	Revised Budget	<u>\$67,065</u>

CONSULTANT AGREEMENTS:

The university requested approval of four consultant agreements:

<u>Laser Laboratory Building</u>	<u>\$1,400,000</u>
Herbert Lewis Kruse Blunck, Des Moines, Iowa (Architectural Services)	

In February the board authorized the university to initiate planning of a \$25 million Laser Laboratory Building. The board approved the university's request to proceed with the selection of an architect for this project. As the result of an architectural selection process that was conducted in accordance with Regents' procedures, the university recommended Frank O. Gehry in association with Herbert Lewis Kruse Blunck and Kimmel Jensen Wegerer Wray. In April, the board approved the recommended team of design professionals.

The university requested permission to negotiate an agreement with the design team and indicated they would return to the board for approval of the agreement when negotiations were completed. This month the university presented for approval the professional services agreement with the selected design team. The design agreement will be in the Regents' standard form with the Herbert Lewis Kruse Blunck architects. The Herbert firm would serve as principal with full responsibility and accountability for the project. Frank O. Gehry and Associates and Kimmel Jensen Wegerer Wray would be consultants to the Herbert firm.

Gehry will have responsibility for schematic design and design development phases of the project and be involved in programming and site selection. The other two firms will participate in these phases of the project. During construction document preparation, bidding and construction phases the Herbert firm would take the lead. The fee represented approximately 7.3 percent of the construction portion of the project. This fee was within an acceptable range for projects of this size and complexity.

Regent Tyler referred to the statement that the architect's fee was within an acceptable range for projects of this size and complexity. He asked for an explanation of how those fees are determined.

Vice President Ellis responded that the university conferred with other institutions who have used this architect, and the university feels it has done extraordinarily well in arriving at this cost.

Mr. Gibson stated this cost was not based on public bid as are other construction costs. The university did a lot of checking with other institutions on other projects, considered the mix of services each was providing, and attempted to establish a fee that is in the middle.

Associate Director Runner stated the architect's fees are based on an estimate by the architect of the number of hours that will be necessary for completion of the design work.

Regent Harris asked if there was a review after the fulfillment of the architect's responsibility to the university.

Associate Director Runner responded there were two types of architect's contracts used by Regents institutions. The first is a fixed fee and the second is on an hourly basis with a maximum amount. When the latter type of contract is used the university monitors the architect's progress and charges monthly.

Iowa Memorial Union Remodeling--Phase II \$62,700
CPMI, Inc., Des Moines, Iowa

The university requested approval of CPMI, Inc., Des Moines, Iowa, to provide construction management services for this project. The firm provided project management and inspection services for the first phase of the remodeling project.

Water Treatment Plant Expansion \$252,000
Stanley Consultants, Muscatine, Iowa

Oakdale Fiber Optic Link \$30,000
COMQUEST, Cincinnati, Ohio

The university requested approval of COMQUEST, Cincinnati, Ohio, to provide design services on this project. COMQUEST is a subsidiary of Ohio Bell Telephone, specializing in the design of fiber optic systems.

University Hospitals and Clinics--Shipping and Receiving Facility Access Road \$27,000
Shive-Hattery Engineers, Inc., Iowa City, Iowa

CONSTRUCTION CONTRACTS:

The following contract award by the Executive Secretary was presented for ratification by the board.

Main Power Plant Boiler Replacement Program--Phase I,
Contract 5, General Construction \$3,796,000
M. A. Mortenson Company, Minneapolis, MN
(3 bids received)

The contract was one in a series of contracts to construct a replacement boiler at the Main Power Plant.

The award of the following contract by the university was presented for ratification by the board.

Campus Video System--Residence Hall and
Married Student Housing \$26,580
Shay Electric Service, Inc., Iowa City, Iowa

This contract was part of the Campus Video System project approved by the board in July 1986. The \$419,700 project involved installation of the necessary wiring in selected campus buildings to connect the existing telecommunication system that was installed throughout the campus.

CHANGE ORDERS TO CONSTRUCTION CONTRACTS:

University Hospitals and Clinics--Telecommunications
System Project
Universal Communications Systems, Inc., Roanoke, VA

Change Order #11 Deduct \$320,161.84

This change order provided for a reduction in the cost of the Telecommunications Project resulting from a reconciliation in the amount of phone cable and telephone equipment actually installed. The contract documents with Universal Communication Systems, Inc., the installer of the university's new telecommunications system, included specific unit costs for pieces of equipment like telephone cabling. The unit prices were determined at the time of bidding so the university could be ensured that a fair price was established. Differences above or below the amount included in the bid are reconciled at the end of the project. That was the purpose of this change order.

In February the board approved a deduct change order for \$265,725 for the university portion of the Telecommunications Project. The change order

presented this month for approval was for the University Hospitals and Clinics portion of the Telecommunications System Project.

The change order reduced the contract amount with Universal Communications by \$320,161.84. With this change order, the amount of the contract with Universal Communications is \$14,739,662.

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

In regard to the Recreation Building, Regent Tyler asked if the board were now in a position where it did business with financially responsible individuals.

Regent Tyler asked if there were responsible people working on the Recreation Building project.

Vice President Ellis responded yes. They are progressing with reconstruction of the roof and continue to anticipate that by the beginning of the second semester of the next academic year the building can be occupied.

MOTION: Regent Harris moved approval of the Register of Capital Improvement Business Transactions for the period April 10 through May 7, 1987. Regent VanEkeren seconded the motion, and it carried unanimously.

PRESIDENT'S SALARY FOR FISCAL YEAR 1988.

Regent Harris stated the Regents appreciated what President Freedman had done for the State University of Iowa and the state of Iowa. He said President Freedman demonstrated that even with a very small staff he could do a very credible job at the University of Iowa. He stated that although President Freedman would no longer be with the university when fiscal year 1988 salary increases become effective, he wished to increase the salary for that position in order to attract a top flight replacement.

MOTION: Regent Harris moved that the Board of Regents increase the salary of the president of University of Iowa to \$130,000 annually effective July 1, 1987. Regent Williams seconded the motion.

Regent VanGilst asked whether the motion included the Acting President. Regent Harris responded that it did.

VOTE ON THE MOTION: The motion was approved unanimously.

LEASE OF PROPERTY - TECHNOLOGY INNOVATION CENTER. The Board Office recommended the board approve leases with tenants, as follows: (a) Middle Coast Publishing for their use of approximately 275 square feet of space (Room 231) in the Technology Innovation Center at the Oakdale Campus for a period of one year commencing June 1, 1987, and ending May 31, 1988, at a rate for the period of \$1,650 (renewal); (b) Profiles Corporation for their use of approximately 674 square feet of space (Rooms 201, 202, and 203) in the Technology Innovation Center at the Oakdale Campus for a period of six months commencing June 1, 1987, and ending November 30, 1987, at a rent for the period of \$2,022 (renewal); and (c) Typesetting Connection, Ltd. for their use of approximately 610 square feet of space (Rooms 121, 123, and 145) in the Oakdale Service Center (as a part of the Technology Innovation Center) on the Oakdale Campus for a period of six months commencing June 1, 1987, and ending November 30, 1987, at a rent for the period of \$1,707 (renewal).

The university reported that the tenants will use the space for offices, applied research, product development, and new business marketing. The rental rate for each of these leases is calculated at \$6 per square foot per year. This rate was established as a fair and reasonable rent given the objective of the university's program and recovers the university's costs for utilities and services at the leased facilities.

MOTION: Regent VanEkeren moved approval of the following leases: (a) Middle Coast Publishing for their use of approximately 275 square feet of space (Room 231) in the Technology Innovation Center at the Oakdale Campus for a period of one year commencing June 1, 1987, and ending May 31, 1988, at a rate for the period of \$1,650 (renewal); (b) Profiles Corporation for their use of approximately 674 square feet of space (Rooms 201, 202, and 203) in the Technology Innovation Center at the Oakdale Campus for a period of six months commencing June 1, 1987, and ending November 30, 1987, at a rent for the period of \$2,022 (renewal); and (c) Typesetting Connection, Ltd. for their use of approximately 610 square feet of space (Rooms 121, 123, and 145) in the Oakdale Service Center (as a part of the Technology Innovation Center) on the Oakdale Campus for a period of six months commencing

June 1, 1987, and ending November 30, 1987, at a rent for the period of \$1,707 (renewal). Regent Greig seconded the motion, and upon the roll being called, the following voted:
AYE: Duchen, Greig, Harris, Pomerantz, Tyler, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Fitzgibbon.

SCHEDULE OF PARKING RATES. The Board Office recommended the board (1) approve changes in parking rates to support the operation, maintenance and capital program of the university parking system and (2) direct the university to work with the Board Office staff and the board's financial consultant in developing a financial plan for constructing the proposed parking ramps.

The university requested approval of new parking rates to support operation and maintenance of existing facilities as well as to generate additional funds for construction of at least two new parking ramps. One ramp will be adjacent to Kinnick Stadium and be principally for hospital usage and the other ramp is for the east campus. The 8,700 car capacity of the university parking system would increase by 15 percent over the next three years.

The rate increases requested ranged from 42 percent at the hospital ramps to 66 percent for parking in the storage lots. The parking rates for the University of Iowa parking system were last increased in 1980 and 1981. When fully implemented, these proposed rates and the additional capacity will generate 67 percent more in parking revenues enabling the university to finance the construction of new parking ramps.

MOTION: Regent Williams moved approval of the university's schedule of parking rates. Regent Harris seconded the motion, and it carried unanimously.

BUDGET CEILING INCREASE ADJUSTMENT - GENERAL FUND. The Board Office recommended the board (1) approve the proposed fiscal year 1987 budget ceiling increases of \$2,750,000 for the University of Iowa General University; \$5,942,210 for the University of Iowa Hospitals and Clinics and \$70,006 for the Oakdale Campus, and (2) direct that a mid-year assessment be prepared and submitted to the Board Office on any revisions in income projections for the General University or University Hospitals and Clinics for fiscal year 1988.

The University of Iowa requested board approval of increases in the previously-approved fiscal year 1987 operating budgets for three budget

units - the General University, the University Hospitals and Clinics and the Oakdale Campus.

Vice President Ellis stated the university requested budget ceiling increases to recognize and approve expenditures of income in excess of that which was budgeted. The increases in General University income resulted in part from student tuition since enrollments did not decline at as rapid a rate as that projected. Another increase was from indirect cost recovery from grant activities on the campus. He reminded the board of the Gramm-Rudman-Hollings federal legislation which affected last year's budget preparation. The impact on the universities was predicted to be severe. He said the Board Office indicated the university had been too conservative in estimating income. He said the university requests approval for expenditure of those funds.

MOTION: Regent Williams moved approval of the university's request for budget ceiling increase adjustment. Regent VanEkeren seconded the motion, and it carried unanimously.

PRELIMINARY BUDGET - 1987-88. The Board Office recommended the board (1) Approve fiscal year 1988 preliminary general educational fund budgets for the following budget units and for the following amounts:

General University	\$ 212,437,918
University Hospitals and Clinics	174,314,400
Psychiatric Hospital	9,697,643
Hospital School	5,432,443
Oakdale Campus	2,883,832
Hygienic Laboratory	3,531,052
Family Practice	1,536,206
Specialized Child Health Services (Cancer, Hemophilia, High Risk Infant)	<u>512,505</u>
TOTAL	\$ 410,345,999

(2) Approve fiscal year 1988 proposed rate increases as follows:

University Hospitals and Clinics	5.5 %
Psychiatric Hospital	9.5 %
Hospital School	8.5 %
Hygienic Laboratory	7.9 %

(3) Request that the university at the June meeting provide the board a report on the proposed distribution of new faculty among academic departments.

The total general fund budget for all units at the University of Iowa was \$410.3 million. The general university budget was \$212.4 million, which is an increase of 10.2 percent over the original fiscal year 1987 budget. Most of the budget growth in each of the budget units is to meet salary increase policies. A listing of the highlights of the University of Iowa preliminary budget follows:

* Salary Policy:

Meets collective bargaining agreements for general services staff of 2 percent plus merit step increase and comparable worth adjustments.

Provides an average 7 percent increase for Professional & Scientific staff to be distributed based upon merit. Provides an 11 percent average faculty salary increase with additional faculty increases dependent upon further reallocations. All faculty salary increases will be based upon merit.

Extraordinary health insurance costs are expected with employer's contributions rising as much as 20 percent.

General university salary policy cost is \$15.7 million.

* The academic program reallocation process is in its second year. That program reallocates 2 percent (\$2 million) to areas of excellence or planned excellence within the university. Major uses of funds are to support new faculty in selected departments and top graduate students through the Iowa Fellows Program.

* Supplemental Improving Educational Quality appropriation of \$1.7 million was being allocated as follows:

\$1,000,000 Maintaining the Quality of Basic Health Science and Medical
Education

\$ 528,220 Strengthening Undergraduate Education

\$ 200,000 Strengthening Library Resources and Services

* Increased tuition revenues are expected to fund 6 percent faculty salary increases and sufficient student aid to offset the effect of the tuition rate increases on needy students.

* University of Iowa Hospitals and Clinics proposed a 5.5 percent rate increase with rate increases proposed for other health care units.

* The university reported its indirect cost rate is dropping from 40 percent to 39 percent and it expected sponsored research and grant

income to be stable. Therefore, it expected indirect cost recoveries to be down 2.5 percent in fiscal year 1988.

Vice President Ellis stated the university was in the process of absorbing the result of the 4.5 percent reduction in their budget for the current year. He said that when the Department of Management recommended appropriations for the university did not include the full cost of annualization which is approximately \$1.5 million, and the university had to immediately reallocate funds to absorb the cost of annualization. He noted the timing of the legislature's final decisions regarding appropriations left the university in a situation where things were very fluid very late in the process. He stated also the university needed to absorb the first reduction which amounts to 1/10 of one percent of appropriations. He stated appropriations for salaries and fringe benefits were inadequate, and reallocation from the indirect cost recovery budget and from the utility budget was necessary to cover the costs. He stated the total appropriation for the university excluding salary adjustments fund is \$130,488,586. He said the budget was based on the assumption of \$7,562,520 in salary adjustment funds which is already inadequate and would be further reduced. He stated they estimated tuition income at \$61,132,000. He noted they were budgeting indirect cost recovery income on the level of the current year to reflect the reduction in indirect cost rate from 40 to 39 percent.

Vice President Remington thanked Regent Harris for the generous action regarding his salary while he is Interim President. He said he looked forward with dispatch to returning to Vice President of Academic Affairs and hoped the unfortunate diversion would be kept to the shortest possible time. He stated he would like to speak on four areas (1) faculty salaries; (2) Improving Educational Quality funding; (3) two percent reallocation with more details being provided next month; and (4) senior faculty appointments. He stated in the area of faculty salaries the University of Iowa was distributing the funds in a manner very similar to that of Iowa State University, and salary increases would be in the double digit range. He said this year they were indicating to the deans that it was not necessary to increment open faculty lines if those lines were not going to be filled. Through internal reallocation they were able to further enhance faculty salaries. He said he could not say at this point what the average salary increase would be and would not until the fall salary analysis was done. He noted he knew they would be meeting the requirements of the legislature. He thanked the board for the increase in tuition rates and the opportunity to allocate that increase to faculty salaries. He said the salary increase this year would be the highest in more than a decade. He said he hoped it would be the first of a several year program to make salaries competitive once again.

Vice President Remington said he was grateful that the legislature late in the session made funds available for improving education quality. He indicated the university's number one priority was to improve funding for

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basic health sciences and medical education and had requested \$3 million for that purpose. He said, among comparable state-supported colleges of medicine, the College of Medicine has one of the lowest fractions of total budget underwritten by university or state resources. He said the university's second highest priority was strengthening undergraduate education and had requested \$528,200. Another priority would be improving staffing and acquisition of the library. Through the 2 percent reallocation effort, they have been able to identify about \$2 million for new and improved programs.

Vice President Remington stated there was good news in the area of faculty recruitment. With the approval of Susan Phillips as Vice President, the university gained a professor of finance. They have recruited a female professor of sociology who is a minority. A black female has been recruited as professor of law as well as a female full professor of economics. He noted they were also in the late stages of recruiting a senior professor of chemistry who is female.

Vice President Ellis stated a university-wide policy has been established on Professional and Scientific salary increases, and the average should be about 7 percent. He said it was quite conceivable they may be able to exceed the average through internal reallocation. He noted the P&S salaries were about 11 percent below the average at comparable institutions. He stated the salaries of the general service staff were adjusted in accordance with collective bargaining agreements. In addition, general service staff will receive increases due to restoration of the step lost in the initial implementation of comparable worth and some will receive increases due to comparable worth appeals. He noted appropriations would provide about 75 percent of the comparable worth costs which leaves the university about \$400,000 to absorb. In order to make up the difference, the university has taken money from library acquisitions and utilities. He said the equipment and building repairs budget will remain at the level of the current year. He said buildings were in need of repair, and equipment was deteriorating at a rate where it is rapidly becoming technically obsolete. He said they would have used reallocated funds in those areas if it had not been necessary to use those funds for salary and comparable worth shortfalls. He said the supplies and services budget which includes the student aid set-aside was more than sufficient to offset the impact of increased tuition.

Vice President Ellis stated there was a rate increase of 5.5 percent proposed for the University Hospitals and Clinics. He said due to the efficient management of the hospital this was the first rate increase in three years, and he felt the rate increase was quite modest.

MOTION: Regent Williams moved approval of the Board Office recommendation on the university's preliminary fiscal year 1988 budget. Regent Harris seconded the motion, and it carried unanimously.

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President Pomerantz 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 27 and Thursday, May 28, 1987.

RATIFICATION OF ACTIONS IN REGISTER OF PERSONNEL CHANGES FOR APRIL 1987. The Board Office recommended the board approve the register for the month of April 1987.

The Register of Personnel Changes was reviewed in the Board Office and found to be in order.

The university recommended approval of appointments and reappointments as follows:

Michael Underhill as Professor and Chair of the Department of Architecture effective July 1, 1987, through June 30, 1998, at a salary as budgeted of \$65,000;

Donna L. Cowan as Professor and Chair of the Department of Family and Consumer Studies for the period of July 1, 1987, through June 30, 1992, at a salary as budgeted;

Dianne Draper as Associate Professor and Acting Chair of the Department of Child Development for the period of July 1, 1987, through June 30, 1988, at a salary as budgeted.

ACTION: President Pomerantz stated the Register of Personnel Changes and the above outlined appointments and reappointments were approved on the consent docket.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended the board (1) approve the capital register and (2) approve the request to raze the Seed Processing Building.

Highlights of the register are as follows:

PROJECT DESCRIPTIONS AND BUDGETS:

<u>Seed Processing Building--Razing and Disposal</u>	<u>\$62,000</u>
Source of Funds: Overhead Reimbursement for Use of Facilities	

This project involved demolition of the Seed Processing Building located on Beach Avenue near the Iowa State Center. The 4,400 square foot structure was built in 1928. The university planned on demolishing this structure for a number of years. The university indicated that the roof had deteriorated and there was structural damage to the building.

The building housed an agricultural research project. The research project would be relocated to the Curtiss Farm. The university will be initiating a project to make modifications on the Curtiss Farm to accommodate the seed plant research project.

The university presented for the board's approval budget increases on eight capital projects. Each of these projects had been previously approved by the board. The construction work on most of the projects was completed. The university was preparing to close out these projects and was making final changes to the budgets.

Printing and Publications Building--Roof Replacement

Source of Funds:	Printing Department	\$300,000
	Overhead Reimbursement for	
	Use of Facility	60,000
	Extension Publications	50,000
	69th G.A. Academic Revenue Bonds	
	(Energy Conservation Program--	
	Phase I)	30,000
	Building Repair Fund	<u>40,000</u>
	Original Budget	<u>\$440,000</u>
	Revised Budget	<u>\$480,000</u>

The budget increase was necessary because of the addition of energy management equipment into the project and underestimating the extent of internal inspection required.

Curtiss Hall--General Remodeling

Source of Funds:	69th General Assembly Academic	
	Revenue Bonds (Fire Safety	
	Improvements)	\$120,000
	Building Repair Fund or Income	
	from Treasurer's Temporary	
	Investments	465,000
	Ag. and Home Economics	
	Experiment Station	
	Building Repair Fund	<u>255,000</u>
	Original Budget	\$820,000
	Revised Budget	<u>\$840,000</u>

The university requested approval to increase the project budget by \$20,000. The board approved the original budget in June 1986. The budget increase was required because of design changes necessary to comply with State Fire Marshal Office directives. The additional funds are from building repair funds or Income from Treasurer's Temporary Investments.

<u>Utilities--Turbine Generator No. 4 Overhaul</u>	Original Budget	<u>\$300,000</u>
Source of Funds: Utility Repair Funds	Revised Budget	<u>\$350,000</u>

The university requested approval to increase the project budget by \$50,000. The original budget was approved in September 1986 and revised in December 1986. The university requested approval of a budget increase because of additional required work. During tear-down and inspection of the turbine generator, the manufacturer recommended that additional repair and rehabilitation work was necessary. The university indicated that it was cost effective to undertake the additional work during the scheduled overhaul. The repairs would ensure continued and reliable operation of the turbine generator. Additional funds are from the utility repair account.

Design Center

Source of Funds:	65th General Assembly Capital Appropriation	\$6,446,220	
	66th General Assembly Capital Appropriation	1,386,881	
	Overhead Reimbursement for Use of Facility	100,000	
	Building Repair Fund	<u>26,388</u>	
			Original Budget <u>\$7,300,000</u>
			Revised Budget <u>\$7,959,489</u>

In February 1977 this project was approved by the board with a budget of \$7.3 million. The 66th General Assembly provided capital appropriations to equip the Design Center. Those funds were added to the project but a revised budget was not presented for the board's approval at that time. The university prepared the final report on the Design Center project and presented a revised budget that coincided with the funds appropriated for the project.

CONSTRUCTION CONTRACTS:

The following contracts were awarded by the Executive Secretary on behalf of the board:

Coover Hall Renovation
 (Asbestos Removal)

Award to: Kossuth Insulations, Inc., Algona Iowa	<u>\$25,724</u>
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(Phase I Construction)

Award to: Harold Pike Construction Company, Ames, Iowa \$73,500

This project involved renovation of the auditorium in Coover Hall. Improvements include upgrading the heating, ventilating and air conditioning systems, lighting, acoustics, audio-visual and seating.

Gilman Hall Renovations--Phase II \$63,545
(Stage 2--Asbestos Removal)

Award to: ARC Contractors, Inc., Brooklyn Park, MN
(3 bids received)

This project was part of an ongoing program to renovate Gilman Hall. Funding for this phase was from \$5.4 million in Academic Building Revenue Bonds authorized by the 71st General Assembly. The project budget is \$5.9 million. The additional funds for the project are from Income from Treasurer's Temporary Investment.

The Durham Center

(General Construction)

Award to: Henkel Construction Company, Mason City, Iowa \$7,755,661

(Testing and Balancing)

Award to: Michaels Fluid Balancing, Inc., LaCrosse, WI \$12,700

The Durham Computation Center will house the central computer facilities for the university and the Computer Engineering Department. The building will contain classrooms, laboratories and office space. In July 1986 the board approved the \$10.9 million project. The board sold \$9.8 million in Computation Center Revenue Bonds in June 1986 to fund a major portion of the project. The additional funds for the project's construction and financing were provided by the Iowa State University Achievement Foundation.

The university reported acceptance of one construction project, Hamilton Hall--Partial Remodeling. Inspection found that the contractor complied with the plans and specifications. The university recommended that the work on the project be accepted as complete. The contractor was Peterson Construction of Webster City, Iowa.

The university presented final reports on two construction projects. These projects were the Science Hall--First Floor Laboratory and Dispensary Remodeling and the Design Center.

MOTION:

Regent Williams moved approval of the Register of Capital Improvement Business Transactions for the period April 24 through May 21, 1987, as presented and of its

request to raze the Seed Processing Building. Regent Greig seconded the motion, and upon the roll being called, the following voted:
AYE: Duchen, Greig, Harris, Tyler, Pomerantz, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Fitzgibbon.

1987-88 BUDGET - PRELIMINARY. The Board Office recommended the board (1) Approve the Iowa State University Preliminary General Program operating budgets for fiscal year 1988 as follows:

General University	\$176,392,228
Agriculture and Home Economics Experiment Station	16,585,870
Cooperative Extension Service in Agriculture and Home Economics	20,702,783
TOTAL	\$213,680,881

- (2) Defer action on Iowa State University's proposal for the establishment of a flexible fringe benefit program for faculty and professional and scientific staff, pending interinstitutional consultation; and
- (3) Approve the proposed fiscal year 1987 budget ceiling increases of \$133,076 for the General University and \$305,122 for the Agriculture and Home Economics Experiment Station.

The university reported an average faculty salary increase of more than 10.5 percent and hoped to achieve better increases for continuing faculty. These increases were being supported by a combination of state salary adjustment funds, tuition income increases and funds generated by internal reallocation.

Departmental averages for faculty salary increases would range from 8.5 to 18.0 percent. Additional funds were being distributed to departments in which salaries were particularly low in comparison with others in the same field and to areas of emphasis within the university.

Increases of 7 percent were proposed for professional and scientific employees. For general service staff the cost of living, merit and comparable worth increases mandated by collective bargaining agreements were implemented.

The university proposed to implement a flexible fringe benefits program for faculty and professional and scientific staff. However, the Board Office recommended that board action on this proposal be deferred pending institutional consultation.

The university reported on two major internal reallocation processes. The first was the continuation of across the board 1.28 percent budget reductions in order to accommodate the 3.85 percent appropriations reduction in fiscal year 1986. Other internal reallocations were based on an analysis of teaching loads in each of the colleges with target staffing levels set for each college. Reallocated funds were being used in support of salary increases, other operating cost increases, the microelectronics research program and additional student aid.

State appropriations included supplemental funding for professional and scientific staff salary increases, support for graduate assistants and \$1.8 million for Improving Educational Quality programs to be approved by the Board of Regents. The university proposed a preliminary allocation of Improving Educational Quality funds. Support was proposed for Improving Instructional Programs, the President's Fund for Excellence and the replacement of contract funds in the College of Veterinary Medicine. Funding was also recommended for library automation, library acquisitions and additions to current expense support for instructional programs. In the Experiment Station funding was recommended for the Meat Export Technology and Policy Center and the Center for Agricultural and Rural Development.

The Agricultural and Home Economic Experiment Station reported internal reallocations to support salary adjustments. The Experiment Station also noted budget adjustments to support interdisciplinary research programs, agricultural biotechnology and the Seed Science and Meat Irradiation Technology Center.

In the Cooperative Extension Service, continued restrictions on hiring during the current year have resulted in salary savings and carryover federal funds which were being used to support salary increases in fiscal year 1988. The university also noted the increased implementation of electronic delivery technology systems.

Budget ceiling increases were recommended for both the General University and the Agriculture and Home Economics Experiment Station at Iowa State University.

The university's preliminary budget request included the presentation of preliminary budgets for a number of special purpose appropriations. Some of these units were also supported by lottery funds or the new Groundwater Protection Fund.

President Eaton stated the university's preliminary budget was a transition budget. It was the first budget in which he had opportunity to provide input. He said they have established a long range planning committee and a mission statement committee. He said the university would be sharing the results of the two committees' efforts with the board in the near future. He

stated he also had two blue ribbon panels to examine the university's two traditional programs in agriculture and life sciences and in engineering. The panels will consist of deans of those colleges at other major universities. The panel on agriculture will also include officers of major agriculturally oriented businesses and highly regarded members of the farming business. The panels will meet for two and one-half days and examine every aspect of the programs and make recommendations. The panel for review of the College of Engineering will have representatives of major manufacturing companies in addition to deans. He indicated the budget as presented was marking time while the university goes through these other deliberations.

President Eaton said they were working to expand the investigation of the data bases of the eleven comparison land grant universities. One thing they were looking at very carefully is the distribution of salary money to the faculty in the coming year. He indicated they hoped to achieve 95 percent of the market average for salaries. He said they made a thorough investigation of the teaching loads at the other comparison institutions and now could compare student credit hours per full time faculty. He indicated faculty salary increases would range from zero to 30 percent. He stated one-half percent was set aside for gender equity specifically for women and minorities. He stated each of the colleges was instructed to undertake an internal reallocation to improve the faculty salary situation in the college. He indicated the university would be exceeding 8 percent for increases of professional and scientific salaries for some employees but the average would be around 8 percent.

President Pomerantz asked President Eaton to summarize the reallocation process.

President Eaton responded that the university was doing two things. They tried to assess whether teaching loads were distributed equitably. To do this they examined teaching loads at the ten peer institutions. By doing so they found there was a shortfall of faculty in the College of Science and Humanities. Another area was in the College of Business Administration where they plan to begin to reduce enrollment in two years. He said there was a large number of temporary faculty in the college and for that reason there was no hope the college could become accredited. He noted the College of Business Administration had a teaching load twice as high as the rest of the university.

Regent Williams asked, based upon the university's recognition of gender inequities, how long it would take before the university has the female faculty staff at a comparable level of the male staff based on merit increases and the attempt at gender pay equity.

President Eaton responded that it was hard to give a figure. He hoped he could be more pro-active in addressing it next year. He said that at this point it was more of an awareness issue. Some women were at 74 percent of

experience and rank. He said he was trying to create an awareness among the deans that certain past practices which create inequities would no longer be tolerated.

Regent Williams asked President Eaton whether it was his understanding that many of the salary differences were due to lack of longevity.

President Eaton responded that the College of Engineering was one area where lack of longevity was apparent. He noted the lack of longevity and the fact that women were concentrated in lower paid fields than men.

Regent Williams told President Eaton there was a good beginning toward gender equity and she was pleased the university was making its people aware of the problem.

Vice President Madden stated he felt the Board Office had done a very thorough job of outlining the budget. He noted the principal focus has been dealing with the faculty salaries. He said they were expected approximately \$57 million from tuition and fee income which is based on an enrollment decrease of 540 to 550 students. He stated he felt the estimates were still accurate based on preliminary admissions information. He stated they would be reallocating 2.2 percent or \$3.4 million. He noted last year the university was able to reallocate \$2.5 million. Through reallocation the university is attempting to respond to the microelectronics effort. Funds have been put into that area to provide matching dollars for federal funding. He indicated much research was going in the Applied Science Center, and the university was in the process of looking at taking that facility over from the Ames Laboratory. He stated he hoped they could come to the board in June or July with a proposal to take the facility over at no cost.

Vice President Madden stated the university was expanding its efforts in international education. He added they had recommitted approximately \$1 million for debt service on the boiler project. He noted that next year the debt service costs would have to be budgeted. He stated they were proposing to set aside \$679,000 for student aid plus another \$110,000 through reallocation for minority student graduate assistantships. He said they were continuing to try to support the President's Fund for Excellence and have allocated \$200,000 to the College of Veterinary Medicine to offset contract funds losses. He indicated a supplemental appropriations bill would have provided \$400,000 for the college, but it was vetoed by the Governor. He said they were moving forward in the library both to fund library automation and to put more money into acquisitions.

Vice President Madden stated he had no real problem with the Board Office recommendation to defer action on the flexible fringe benefit proposal. He said a committee had worked for about one year formulating the proposal, and they would like to implement it January 1. He added there would be no major administrative cost for the program.

President Pomerantz asked what were the cost implications for the flexible fringe benefit program. Vice President Madden stated there would be some administrative costs to implement the program. He stated within a framework employees could create their own benefit program with pre-tax funds. He said there was particular interest in the daycare issue.

Regent VanGilst asked about the recommendation to defer action on the flexible fringe benefits program pending interinstitutional consultation. He asked when the consultation would take place.

Mr. Richey responded that he expected the interinstitutional consultation could happen and the item could be brought back to the board by July. He stated that everyone was very busy at present with the budgets.

Vice President Madden indicated that would be acceptable.

Mr. Richey stated the Board Office was extremely grateful to the staff of Iowa State University for their preliminary budget information that was submitted in a timely fashion.

Vice President Madden recognized Johnnie Pickett who is on his staff for her contribution in preparation of the budget.

MOTION: Regent Duchen moved approval of the Board Office recommendation on the university's preliminary budget for fiscal year 1988. Regent VanGilst seconded the motion, and it carried unanimously.

PRESIDENT'S SALARY FOR FISCAL YEAR 1988. Regent Harris stated that in consideration of President Eaton's intellectual and physical vigor in dealing with Iowa State University's many problems he wished to make the following motion:

MOTION: Regent Harris moved that President Eaton's salary be increased to \$130,000 effective July 1, 1987, and that the Board of Regents appreciates the manner in which he has gone about doing a job that is very difficult. Regent Greig seconded the motion, and it carried unanimously.

President Eaton stated he was deeply appreciative. He said it had been a genuine pleasure to work with, and that he felt very positive toward, the Board of Regents. He added that he felt he could accomplish everything with the board's help.

MEMORANDUM OF AGREEMENT. The Board Office recommended the board approve Memoranda of Agreement with the Iowa State Memorial Union for the university's use of space for purposes as follows:

- (a) UNIVERSITY BOOKSTORE for the bookstore's use of 20,000 square feet in the ground floor and basement of the 1972 southeast addition to the union at a rate of \$6.25 per square foot per year and 3,575 square feet of storage space on the second floor of the 1978 southeast addition at a rate of \$3.75 per square foot per year for a total annual rent of \$138,406.25 effective July 1, 1987;
- (b) ISU ACHIEVEMENT FOUNDATION for the foundation's use of 6,675 square feet of finished space, including the Alumni Suite, in the 1978 southeast addition and Rooms 214 and 258 which contain 1,301 square feet of finished space at \$5.25 per square foot per year, and 1,912 square feet of storage space at \$3.50 per square foot per year for a total annual rent of \$48,566, effective July 1, 1987;
- (c) TELECOMMUNICATIONS DEPARTMENT for the department's use of 2,001 square feet of finished floor space (Rooms 250, 251, 254) in the 1978 southeast addition at the rate of \$5.25 per square foot per year for a total annual rent of \$10,505.25, effective July 1, 1987;
- (d) UNIVERSITY COPY CENTER for the center's use of 1,400 square feet of unfinished space in the basement games area at a rate of \$2.25 per square foot per year for a total annual rent of \$3,150, effective July 1, 1987; and
- (e) OFFICE OF ADMISSIONS for admission's use of 1,242 square feet of finished space (Room 252) at \$2.75 per square foot per year and 240 square feet of finished space (Room 253) at \$5.00 per square foot per year in the 1978 southeast addition to the union for a total annual rent of \$4,615.50, effective July 1, 1987.

Vice President Madden stated the university had a series of leases with the Iowa State University Memorial Union. The leases are due for renewal July 1, 1987. He stated they were basically routine. The union is a separate operation at Iowa State University. He stated the rates were reasonable relative to the market and the costs to the union.

MOTION:

Regent Williams moved approval of the Memoranda of Agreement with the Iowa State Memorial Union for the university's use of space. Regent Greig seconded the motion, and upon the roll being called, the following voted:

AYE: Duchen, Greig, Harris, Tyler,
Pomerantz, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Fitzgibbon.

COMMITTEE FOR AGRICULTURAL DEVELOPMENT LAND PURCHASE. The Board Office recommended the board adopt a resolution for the acquisition of 123.12 acres of farmland in Lucas County.

The university requested approval for the purchase of farmland for the use of the Agriculture and Home Economics Experiment Station. The land would be purchased from the Committee for Agricultural Development, an affiliated organization of the College of Agriculture.

The land is part of the university's McNay Research Center, a 2,000 acre research complex for crop and beef production research in Southern Iowa. The 123.12 acres to be purchased are a portion of 192 acres on two farms purchased in 1983 by the Committee for Agricultural Development for use by the Experiment Station. The Committee has since sold a portion of one farm not needed by Iowa State University. The remaining 123.12 acres were retained by the Committee for Agricultural Development and have been used by the university for beef research.

The Committee for Agricultural Development offered to sell the 55 acre farm for \$23,000 and the 68.12 acre farm for \$29,529, or an average of \$433.46 per acre.

The offering price of \$52,527 was the same as the Committee for Agricultural Development's purchase cost in 1983. The university indicated that the \$426 average price per acre was consistent with the survey of land values conducted by the Extension Service. That survey found that farmland in the south central district of the state ranged from \$176 to \$682 per acre.

The university plans to continue using the farmland for beef breeding and management research.

No state appropriated funds would be used for purchase of this property. The \$52,527 purchase is from funds available in the McNay Memorial Fund.

Vice President Madden discussed the history of the Committee for Agricultural Development's acquisition of the land. He stated the university now had the funds available to purchase this and they recommend it become a part of the Experiment Station.

MOTION:

Regent Greig moved approval to adopt the university's resolution regarding the purchase of the land. Regent Harris

IOWA STATE UNIVERSITY
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seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: Fitzgibbon.

President Pomerantz 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 Thursday, May 28, 1987.

REGISTER OF PERSONNEL CHANGES. The Board Office recommended the board approve the personnel register for the month of April 1987.

ACTION: Regent Pomerantz stated this item was approved on the consent docket.

OTHER PERSONNEL TRANSACTIONS. The Board Office recommended the board approve personnel actions, including appointments, changes in status, and resignations as follows:

- (1) Roland Carrillo as Director of Financial Aid and Student Employment, effective July 1, 1987, salary as budgeted for 1987-88;
- (2) Paul John Uselding as Dean of the School of Business and Professor of Economics, with tenure, effective at a date to be determined in July, 1987, at an annual salary of \$80,000;
- (3) Dale R. Jackson as Professor and Head of the Department of Educational Administration and Counseling effective at a date to be mutually agreed in the fall of 1987, at a salary as budgeted for 1987-88;
- (4) Steven Y. Moon as Acting Director of Academic Computing Services effective May 18, 1987, at an annual salary of \$35,541;
- (5) Dharendra K. Vajpeyi as Professor and Acting Head, Department of Political Science, for the 1987-88 academic year and summer of 1988, at a salary as budgeted for 1987-88; and
- (6) approve the change in status of Robert Ross from Professor and Head of the Department of Political Science to Professor of Political Science; and
- (7) accept the resignation of James L. Wolf as Director of Academic Computing Services effective May 15, 1987.

MOTION: Regent VanGilst moved approval of the personnel transactions as presented. Regent Greig seconded the motion, and it carried unanimously.

UNIVERSITY CALENDAR HOLIDAY FOR 1989. The Board Office recommended that the board approve the university's holiday calendar for 1989, as presented.

ACTION: President Pomerantz stated this item was approved on the consent docket.

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

This month the university presented one new project for the board's ratification.

Gilchrist Hall--First Floor Corridor Remodeling \$56,000
Source of Funds: Building Repairs

One construction award was made by the Executive Secretary on behalf of the board:

Institutional Roads--Nebraska Street Extension \$221,790.80
(27th Street to 30th Street)

Award to: Cedar Falls Construction Company, Inc., Cedar Falls, Iowa
(3 bids received)

This project involves construction of Nebraska Street from 27th Street to 30th Street on the west side of the campus. The project was included in the 1987 State Parks and Institutional Road Program that was adopted by the board in November 1986. Public streets and roads on property of the Regent institutions are part of the State Parks and Institutional Road system. Repairs, maintenance and reconstruction of these streets are financed from a portion of the State Road Use Tax Fund.

The university submitted a final report on the Auditorium Building--Replace Windows and Entrance Doors. This project was financed with building repair funds.

MOTION: Regent Greig moved approval of the Register of Capital Improvement Business Transactions for the period April 8 through May 4, 1987, as presented. Regent Williams seconded the motion, and it carried unanimously.

TENANT PROPERTY RENTALS, 1987-88. The Board Office recommended that the board approve the schedule of rental fees proposed by the university for the board's tenant property at the university.

The structures covered by the university's proposed rental schedule were acquired by the board to accommodate the long-range plans of the university.

The long-range plans call for removal of the structures and the use of the resulting space in ways more directly related to university purposes. Last year the board approved seven properties for rental. With the action of the board last month, three of those properties have been scheduled for razing and are removed from the tenant property list. A fourth property was selected to house the university's Social and Behavioral Research Center. A fifth property is used by the university's mathematics program. The two remaining properties, 1203 and 1209 West 23rd Street, were recommended for rental at the rate of \$500 per month. This represented a \$15 per month (3.1 percent) increase over the rent charged in 1986-87. One of the properties is leased to a sorority and the other to a fraternity.

Vice President Conner stated the university converted a number of the private rental properties which had been acquired. All but these two remaining properties had been approved for demolition.

MOTION:

Regent Duchen moved approval of the university's schedule of rental fees for the board's tenant property at the university. Regent Williams seconded the motion, and upon the roll being called, the following voted:
AYE: Duchen, Greig, Harris, Tyler, Pomerantz, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Fitzgibbon.

PRELIMINARY BUDGET - 1987-88. The Board Office recommended the board (1) approve the university's preliminary fiscal year 1988 budget; (2) approve a fiscal year 1987 budget ceiling increase of \$403,096; (3) request that the university at the June meeting provide the board with a systematic plan for reviewing academic programs to identify funds for internal reallocation among academic programs so as to improve vitality and quality; and (4) request that the university at the June meeting provide the board a report on the proposed distribution of new faculty among academic departments.

The total fiscal year 1988 budget proposed was \$60.8 million which is \$4.9 million or 8.7 percent more than the university's revised fiscal year 1987 budget. Most of the preliminary budget increase was for salary increases funded from appropriations and tuition income.

Several issues or problems noted by Board Office staff were:

- * The university stated it expected to receive increased tuition income of \$1.8 million--\$200,000 less than projected in December 1986, when tuition rates were set by the board.

- * The university proposed an 8 percent professional and scientific staff salary increase policy as compared to 7 percent by the other institutions.
- * The Governor recommended and the appropriations bill contained \$250,000 for additional faculty.
- * The appropriations bill added almost \$1 million for educational quality projects approved by the board, graduate student assistance and professional and scientific staff salary increases. The understood intent of the sponsors for 90 percent of the supplement was to fund educational quality projects approved by the board.
- * The university proposed to commit \$400,000 for additional faculty and use the balance of the supplemental funds to meet salary expense shortfalls. The majority of the funds appeared to be targeted to base adjustments rather than to improvements in the quality of specific programs.
- * The university indicated that \$150,000 was expected to be reallocated within the university. The university did not discuss any formal review or reallocation process for insuring improvements in academic quality.

President Curris stated that by June the university will have completed an allocation of faculty positions to present to the board. He was in the process of working with the deans to fill vacant positions.

MOTION: Regent Harris moved approval of the Board Office recommendation on the university's preliminary fiscal year 1988 budget. Regent Duchen seconded the motion, and it carried unanimously.

PRESIDENT'S SALARY FOR FISCAL YEAR 1988. Regent Harris stated that in consideration of the fine job the president of the University of Northern Iowa had provided to the institution and the state of Iowa he wished to make the following motion:

MOTION: Regent Harris moved that the salary of the President of the University of Northern Iowa be increased to \$100,000 effective July 1, 1987. Regent VanEkeren seconded the motion, and it carried unanimously.

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

IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Thursday, May 28, 1987.

RATIFICATION OF ACTION REPORTED IN THE REGISTER OF PERSONNEL CHANGES FOR THE MONTH OF APRIL 1987. The Board Office recommended the board approve the personnel register for the month of April 1987.

ACTION: President Pomerantz stated the Register of Personnel Changes for the Month of April 1987 was approved as a consent item.

APPROVAL OF HOLIDAY SCHEDULE FOR 1987/89. The Board Office recommended the Board approve the school's proposed holiday schedule for the period July 1, 1987, to June 30, 1989.

ACTION: President Pomerantz stated the holiday schedule for 1987/89 was approved as a consent item.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS FOR THE MONTH OF APRIL 1987. The Board Office stated the capital register contained no transactions for the month.

APPROVAL OF FISCAL YEAR 1988 PRELIMINARY OPERATING BUDGET. The Board Office recommended the board (1) approve a fiscal year 1988 preliminary budget of \$5,139,080 for the Iowa School for the Deaf; (2) allocate to the school its prorata share of the special \$94,505 appropriation for special school faculty salary increases; (3) approve a faculty salary policy for fiscal year 1988 consisting of \$18,000 minimum salaries, budgeted increases of \$3,000 plus fringe benefit costs for each full-time equivalent faculty position with actual salaries awarded based upon merit considerations, and additional salary increases for movement on the salary scale due to education or experience; and (4) approve a personal vehicle transportation reimbursement rate for parents or guardians of Iowa School for the Deaf students at 21 cents per mile for fiscal year 1988.

State policy for minimum public school teacher salaries of \$18,000 was applied to the school's faculty. The school's minimum salary is now \$15,000. The budget also contained funds sufficient to reward experienced faculty

equitably. The Board Office recommended that a \$3,000 increase plus fringe benefit costs be budgeted for each faculty position and be awarded based upon merit considerations. Nominal movement in the scale based upon experience, education and satisfactory performance would be continued.

The proposed budget provided for Professional and Scientific staff budgeted salary increases of 7 percent plus fringe benefits. General Services staff salaries were budgeted to meet collective bargaining obligations. The collective bargaining agreement called for 2 percent salary increases at the beginning of the year and merit step increases if performance is satisfactory.

Appropriations for the school's fiscal year 1988 base budget were \$215,000 or 4.5 percent below appropriations for fiscal year 1987. Additional salary adjustment fund appropriations to offset the cost of salary increase policies result in a total increase in appropriations of \$156,000, or slightly more than 3 percent.

Superintendent Giangreco stated the preliminary budget would be "fine tuned" and brought back to the board next month. He said the faculty seem very happy about the salary increases. He expressed his appreciation to the Board Office and Frank Stork for their strong support for the salary increases.

Superintendent Giangreco stated he had been meeting with the new superintendent and had apprised him of the budget.

MOTION: Regent Duchen moved approval of the Board Office recommendation on the Iowa School for the Deaf preliminary fiscal year 1988 budget. Regent VanGilst seconded the motion, and it carried unanimously.

APPROVAL OF FISCAL YEAR 1988 CHAPTER I BUDGET. The Board Office recommended the board receive the Chapter I preliminary budget proposal in the amount of \$85,000 for fiscal year 1988.

Superintendent Giangreco stated the school would present the board with a final Chapter I budget next month.

ACTION: President Pomerantz stated the Chapter I preliminary budget for fiscal year 1988 was received by general consent.

APPROVAL OF LEASES TO STAFF MEMBERS. The Board Office recommended the board (1) approve the proposed tenant property schedule for July 1, 1987, to June 30, 1988 and (2) approve the use of the "Dwelling Unit Rental Agreement", Iowa State Bar Association form #25-1, for rental of the properties.

MOTION: Regent Harris moved approval of the Board Office recommendation on the approval of leases to staff members. Regent Williams seconded the motion, and upon the roll being called, the following voted:
AYE: Duchen, Greig, Harris, Pomerantz, Tyler, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Fitzgibbon.

APPROVAL OF EASEMENT, PEOPLES NATURAL GAS COMPANY. The Board Office recommended the board approve the easement between the State Board of Regents and Peoples Natural Gas Company for the purpose of constructing an underground natural gas line on the property of the Iowa School for the Deaf.

Mr. Kuenhold stated the gas line would be located in an area that is rented as farmland and not near any school buildings.

MOTION: Regent Harris moved approval of the easement between the State Board of Regents and Peoples Natural Gas Company for the purpose of constructing an underground natural gas line on the property of the Iowa School for the Deaf. Regent Tyler seconded the motion, and upon the roll being called, the following voted:
AYE: Duchen, Greig, Harris, Pomerantz, Tyler, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Fitzgibbon.

MEMORANDUM OF AGREEMENT - LEWIS CENTRAL HIGH SCHOOL. The Board Office recommended the board ratify an agreement with Lewis Central High School for joint sponsorship of golf and cross country for the 1987-88 school year.

Superintendent Giangreco stated the proposed Memorandum of Agreement would enable Iowa School for the Deaf students to participate in competitive sports with the Lewis Central High School. He said this had been done before and the integration worked very well.

MOTION: Regent Williams moved to ratify the agreement with Lewis Central High School for joint sponsorship of golf and cross country for the 1987-88 school year. Regent VanEkeren seconded the motion, and it carried unanimously.

Regent Williams stated she felt this program was terrific. She had that the more programs like this the students could be involved in, the better.

MEMORANDUM OF AGREEMENT - IOWA WESTERN COMMUNITY COLLEGE. The Board Office recommended the board (1) approve the contract with Iowa Western Community College for Specialized Vocational Training in fiscal year 1988, (2) request a systematic evaluation of this program to include each of the four program components and (3) the Executive Secretary should be authorized to sign for the board.

Ms. Williams asked about the reference to evaluating the program which was contained in the docket memorandum.

Mr. Richey responded that the Board Office intends to proceed to systematically evaluate the program to determine if the various components and the total program meet a specified set of objectives and to see if the objectives themselves are appropriate.

MOTION: Regent VanGilst moved approval of the Board Office recommendation on the Memorandum of Agreement with Iowa Western Community College. Regent Duchon seconded the motion, and it carried unanimously.

President Pomerantz thanked Superintendent Giangreco for the hospitality of the last two days. He also stated the board wished to express its strong thanks and appreciation for his outstanding performance.

Superintendent Giangreco stated he felt comfortable leaving the school in the hands of Bill Johnson.

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

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Thursday, May 28, 1987.

RATIFICATION OF ACTIONS REPORTED IN THE REGISTER OF PERSONNEL CHANGES FROM MARCH 22, 1987, TO APRIL 18, 1987. The Board Office recommended the board approve the Register of Personnel Changes from March 22 to April 18, 1987.

ACTION: President Pomerantz stated the Register of Personnel Changes was approved on the consent docket.

ANNUAL REPORT TO THE PUBLIC. The Board Office recommended the board receive the annual report to the public from the Iowa Braille & Sight Saving School.

The report consisted of two parts. The first part provided a highlight of activities during the past year with special emphasis on demonstration, innovation, integration, evaluation, and information. The second part of the report consists of a section demonstrating accountability which included selected budgetary and expenditure data.

MOTION: Regent Harris moved the board receive the annual report to the public from the Iowa Braille & Sight Saving School. Regent VanEkeren seconded the motion, and it carried unanimously.

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

The institution reported two new projects:

<u>Palmer Hall--Transitional Living Unit</u>	<u>\$19,622</u>
Source of Funds: FY 1987 Building Repair Funds	

The school established a living unit in Palmer Hall to assist young men and women in making a smooth transition from school to community living. In order to house the transitional living unit, modifications needed to be made to Palmer Hall. The modifications are aimed at simulating the home environment that the students will encounter after leaving school.

The Executive Secretary acting on behalf of the board in April authorized the institution to proceed with project planning on this project. On this month's register the institution requested ratification of the Executive Secretary's action in authorizing the project planning and approving the program statement.

Energy Management System--Phase II

Budget \$12,000

Source of Funds: FY 1987 Building Repair Funds

This project involved expansion of the school's energy management system to control additional electrical and heating systems on campus. The initial phase of the energy management system installed several years ago controls the building heating systems. This phase will expand the school's capability to monitor and operate hot water heaters and air handling systems.

The Executive Secretary acting on behalf of the board authorized this project on April 29, 1987, enabling the school to proceed with issuance of the purchase order. The energy management system equipment will be installed over the summer months.

MOTION:

Regent Williams moved approval of the capital register. Regent VanGilst seconded the motion, and it carried unanimously.

APPROVAL OF RENEWAL LEASES. The Board Office recommended the board approve leases with tenants as follows:

- a) BENTON COUNTY EXTENSION OFFICE, IOWA STATE UNIVERSITY COOPERATIVE EXTENSION SERVICE for their use of approximately 1,706 square feet of space on the ground floor, east wing of Palmer Hall, plus one restroom, for the period July 1, 1987, to June 30, 1988, for a fee of \$3,838.56 for the term; and
- b) KIRKWOOD COMMUNITY COLLEGE for their use of approximately 1,925 square feet of space on the first floor of the Old Hospital Building for the period July 1, 1987, to June 30, 1988, for a fee of \$3,657.60 for the term.

The Benton County Extension Office will use the space in Palmer Hall for offices and meeting rooms from 8 a.m. to 5 p.m., Monday through Friday, 12 months per year. The Extension Office will accept the space with minimal heat when the school is not in session. The fee of \$319.88 per month is calculated on the basis of \$2.25 per square foot per year and represents no increase over the fee established in fiscal year 1985. The liability insurance carried by Iowa State University Extension Service for all of its extension offices has been determined to be adequate to protect the liability

interest of the Iowa Braille and Sight Saving School, its employees and the board.

Kirkwood Community College will use the space in the Old Hospital Building primarily for office and classroom space for the academic and pre-career instruction of youth and adults who have not completed high school and for an open learning lab for students who wish to take college classes. The space has remained the same, \$1.90 per square foot per year as was established for fiscal year 1984.

The Board Office noted future leases may need to provide more income than just that necessary to recover the cost of maintenance and services. If the leases are renewed next year, Superintendent Thurman will be asked to review the present practice for establishing rent.

MOTION:

Regent VanEkeren moved approval of the leases as follows (a) BENTON COUNTY EXTENSION OFFICE, IOWA STATE UNIVERSITY COOPERATIVE EXTENSION SERVICE for their use of approximately 1,706 square feet of space on the ground floor, east wing of Palmer Hall, plus one restroom, for the period July 1, 1987, to June 30, 1988, for a fee of \$3,838.56 for the term; and (b) KIRKWOOD COMMUNITY COLLEGE for their use of approximately 1,925 square feet of space on the first floor of the Old Hospital Building for the period July 1, 1987, to June 30, 1988, for a fee of \$3,657.60 for the term. Regent Williams seconded the motion, and upon the roll being called, the following voted:
AYE: Duchen, Greig, Harris, Pomerantz, Tyler, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Fitzgibbon.

RENEWAL OF PARAPROFESSIONAL INSERVICE PROGRAM - KIRKWOOD COMMUNITY COLLEGE.

The Board Office recommended the board (1) approve a new contract with Kirkwood Community College for the college to provide Residential Attendant Training and Medication Certification Program for selected employees at Iowa Braille & Sight Saving School during the period September 2, 1987, through May 25, 1988, at a cost of \$1300, and (2) the Executive Secretary be authorized to sign the contract.

The Iowa Braille & Sight Saving School needs for certain of its staff to receive Residential Attendant Training and to receive instruction in a Medication Certification Program. Kirkwood Community College provides 60

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hours of instruction for the Attendant Program and 10 hours of instruction for the Medication Program at a total cost of \$1300. The instruction will be provided between September 2, 1987 and May 25, 1988.

This training is required for persons in certain positions (i.e., newly-employed Teacher Aides, Houseparent III's and Houseparent Aides). Kirkwood Community College has provided this training in the past. Evaluations of the training indicate its importance and need for continuance.

MOTION: Regent Greig moved approval of the Board Office recommendation regarding renewal of paraprofessional inservice program at Kirkwood Community College. Regent Harris seconded the motion, and it carried unanimously.

APPROVAL OF FISCAL YEAR 1988 PRELIMINARY BUDGET. The Board Office recommended the board (1) approve a fiscal year 1988 preliminary budget of \$2,956,186 for the Iowa Braille and Sight Saving School; (2) allocate to the school its prorata share of the special \$94,505 appropriation for special school faculty salary increases; (3) approve a faculty salary policy for fiscal year 1988 consisting of \$18,000 minimum salaries, budgeted increases of \$3,000 plus fringe benefit costs for each full-time equivalent faculty position with actual salaries awarded based upon merit considerations, and additional salary increases for movement on the salary scale due to education or experience; and (4) approve a personal vehicle transportation reimbursement rate for parents or guardians of Iowa Braille and Sight Saving School students at 21 cents per mile for fiscal year 1988.

The school's preliminary budget was based in great part upon the budget request approved by the board in December 1986. The principal consequence of that request was the elimination of summer school which was to be programmatically offset by increasing the home visitation program.

State policy for minimum public school teacher salaries of \$18,000 was being applied to the school's faculty. The school's minimum salary was \$15,000. The budget also contained funds sufficient to reward experienced faculty equitably. The Board Office recommended that a \$3,000 increase plus fringe benefit costs be budgeted for each faculty position and be awarded based upon merit considerations. Nominal movement in the scale based upon experience, education and satisfactory performance would be continued.

The proposed budget provided for Professional and Scientific staff budgeted salary increases of 7 percent plus fringe benefits. General Services staff salaries are budgeted to meet collective bargaining obligations. The collective bargaining agreement called for 2 percent salary increases at the beginning of the year and merit step increases if performance was satisfactory.

Appropriations for the school's fiscal year 1988 base budget were \$130,000 or 5 percent below appropriations for fiscal year 1987. Additional salary adjustment fund appropriations to offset the cost of salary increase policies resulted in a total increase in appropriations of \$66,000, or slightly more than 2 percent.

Mr. Berry stated it was a difficult year to put together a budget. They have followed the concept basically presented to the board in December. They worked in cooperation with the Board Office staff.

MOTION: Regent VanEkeren moved approval of the Board Office recommendation on the institution's Preliminary Fiscal Year 1988 budget. Regent Harris seconded the motion, and it carried unanimously.

President Pomerantz told Acting Superintendent Young that the board expressed its appreciation and thanks to her for her efforts at the Iowa Braille and Sight Saving School.

Acting Superintendent Young thanked the board and Board Office staff for the assistance given her in her months as acting superintendent. She felt her tenure as acting superintendent was a very rewarding experience.

Superintendent Giangreco stated he had worked very closely with Acting Superintendent Young and that she had done an excellent job.

APPROVAL OF FISCAL YEAR 1988 CHAPTER 1 BUDGET. The Board Office recommended the board receive the preliminary Chapter I budget proposal estimated at \$35,075 for fiscal year 1988.

Chapter I program support for the Iowa Braille and Sight Saving School since 1982 is shown below.

IBSSS Chapter I Funding

1982	1983	1984	1985	1986	1987	1988
\$50,400	\$54,703	\$43,629	\$42,229	\$39,584	\$37,522	\$35,075(Preliminary)

There were \$37,522 in Chapter I federal funds allotted to the Iowa Braille and Sight Saving School program for fiscal year 1987 which remain unobligated. Funds were originally approved for two positions, a work experience instructor and a pre-school teacher/consultant. Hiring a work experience instructor was not authorized by President McDonald because other certified school staff were already performing that function. Recruiting by

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the school for a pre-school teacher/consultant had not been successful. The funds remain available for an additional year.

Mr. Berry stated the school was merely asking for approval of a tentative figure.

ACTION: President Pomerantz stated the Fiscal Year 1988 Chapter 1 budget was received by general consent.

President Pomerantz 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 10:20 a.m. on Thursday, May 28, 1987.


R. Wayne Richey
Executive Secretary