

C O R R E C T E D

The State Board of Regents met on Wednesday, November 11 and Thursday, November 12, 1987, at the University of Northern Iowa. The following were in attendance:

	<u>November 11</u>	<u>November 12</u>
<u>Members of State Board of Regents</u>		
Mr. Pomerantz, President	All sessions	All sessions
Mr. Duchon	All sessions	All sessions
Mr. Fitzgibbon	All sessions	All sessions
Mr. Greig	Excused	Excused
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	Excused
Director True	All sessions	All sessions
Director Wright	All sessions	All sessions
Minutes Secretary Briggie	All sessions	All sessions
<u>State University of Iowa</u>		
President Remington	All sessions	Excused
Vice President Phillips	All sessions	Excused
Associate Vice President Moll	All sessions	Excused
Associate Vice President Small	All sessions	Excused
Assistant to President Mears	All sessions	Excused
Assistant Vice President Rhodes	Excused	All sessions
Director Bauer	Excused	All sessions
Director Cooper	All sessions	Excused
<u>Iowa State University</u>		
President Eaton	All sessions	Excused
Executive Vice President McCandless	All sessions	Excused
Vice President Madden	All sessions	Excused
Vice President Moore	All sessions	Excused
Mr. Randol	Excused	All sessions
Assistant to President Crawford	All sessions	Excused
Director Lendt	All sessions	Excused
Assistant to Vice President Pickett	Excused	All sessions
Mr. Stamp, Iowa State Daily	Excused	All sessions
<u>University of Northern Iowa</u>		
President Curris	All sessions	Excused
Provost Martin	All sessions	Excused
Vice President Conner	All sessions	Excused
Vice President Follon	All sessions	Excused
Exec. Ass't. to Pres. Stinchfield	All sessions	Excused
Director Chilcott	All sessions	Excused
Administrative Assistant Miller	Excused	All sessions
<u>Iowa School for the Deaf</u>		
Superintendent Johnson	All sessions	Excused
Business Manager Kuehnhold	All sessions	Excused
Admin. Services Assistant Morford	Excused	All sessions
<u>Iowa Braille and Sight Saving School</u>		
Superintendent Thurman	All sessions	All sessions
Business Manager Berry	All sessions	Excused
Director Hauser	All sessions	Excused
Secretary Sherry Craddock	Excused	All sessions
<u>Ahlers Law Firm</u>		
Kenneth Haynie	Excused	All sessions
Tom Stanberry	Excused	All sessions

C O R R E C T E D

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday, November 11 and Thursday, November 12, 1987.

President Pomerantz expressed the Board's appreciation to University of Northern Iowa officials for their hospitality.

President Pomerantz recognized Superintendent Thurman.

Superintendent Thurman introduced Dr. Ivan S. Terzeiff, newly-appointed Director of Education, and Scott R. Hauser, newly-appointed Director of Administrative Services, Iowa Braille and Sight Saving School.

APPROVAL OF MINUTES OF BOARD MEETING, OCTOBER 21, 1987, AND UNIVERSITY OF IOWA HOSPITAL PLANNING SEMINAR, SEPTEMBER 16, 1987.

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

ACTION: President Pomerantz declared the Minutes approved as published 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 informed the Board there was no report from the committee this month.

President Pomerantz recognized Regents Harris and Williams to report on the Way Up V conference.

Regent Williams stated that Regents Harris, VanEkeren and she attended the Way Up V conference on November 5 and 6, 1987. At the conference she presented the perspective of being a Regent, and talked about political maneuvering and government connections. She felt the conference was one of the most successful Way Up conferences ever held. She said that hopefully there will be more women in higher education as a result of what was gained from this conference.

Regent Harris was on the panel reacting to a speech by Donna Shavlik of the American Council on Education. Dr. Harris highlighted portions of the

GENERAL
November 11-12, 1987

presentation related to improving promotional opportunities and quality of life for women in Higher Education. Dr. Harris noted that her written proposal, which he distributed to Board members, identified 14 areas to be addressed.

Regent Williams said Regent Harris should be commended for the position he took and for his participation in the conference. She said he represented the Board of Regents well and made a commitment that the Board would be looking at the issues and would present a progress report at the next Way Up conference.

Regent Harris asked that the 14 areas identified by Ms. Shavlik be reviewed by the institutions and the Board Office, and that a report be prepared regarding the status of implementation. He added that those areas which have not been initiated by the universities be presented to the Board for action.

President Pomerantz asked that Ms. Shavlik's written proposal be distributed to the appropriate institutional personnel.

MOTION: Regent Harris moved that the Board Office, in conjunction with the Regent universities, review those items which are not already in force and present a report to the Board at its January meeting. Regent Williams seconded the motion, and it carried unanimously.

ACCREDITATION REPORTS. (A) University of Iowa Hospitals and Clinics. The Board Office recommended the Board receive the report on accreditation of the University of Iowa Hospitals and Clinics.

The University of Iowa submitted an accreditation report on the University of Iowa Hospitals and Clinics which was recently conducted by the Joint Commission on Accreditation of Health Care Organizations. As a result of its accreditation review the Joint Commission awarded accreditation to University Hospitals and Clinics.

A full copy of the accreditation report is on file in the Board Office.

ACTION: President Pomerantz stated the Board received the report on accreditation of the University of Iowa Hospitals and Clinics by general consent.

(B) NUCLEAR MEDICINE TECHNOLOGY. The Board Office recommended the Board receive the report on accreditation of the University of Iowa Baccalaureate Program in Nuclear Medicine Technology at the University of Iowa.

GENERAL
November 11-12, 1987

The University of Iowa submitted materials concerning the recent accreditation of its program in Nuclear Medicine Technology which leads to a bachelors degree awarded through the College of Medicine with a major in nuclear medicine technology. The program was reaccredited for five years.

The report of the evaluation team noted that the University of Iowa Hospitals and Clinics program in nuclear medicine technology overall provides "a good educational program." The physical resources, variety of instrumentation, comprehensive data processing equipment, the number and variety of clinical and research procedures, coupled with the human resources provides an "excellent structure" according to the report. The report included suggestions to enhance the effectiveness of the program, such as eliminating other responsibilities of the Program Director which compromise the amount of time spent with the program and increasing staff or delegating work load elsewhere, if possible.

The report concluded that the program may not be in full compliance with the Committee on Allied Health Education and Accreditation standards with respect to having written course objectives in several subjects.

A full copy of the accreditation report is on file in the Board Office.

ACTION: President Pomerantz stated the Board received the report on accreditation of the University of Iowa Baccalaureate Program in Nuclear Medicine Technology at the University of Iowa by general consent.

STATUS REPORT ON MERGER BETWEEN NEBRASKA SCHOOL FOR THE DEAF AND IOWA SCHOOL FOR THE DEAF. The Board Office recommended the Board approve the recommended responses regarding the "Criteria" proposed by the Nebraska Commission on Special Education.

Dr. Barak reported that discussions regarding a possible merger of the two schools for the deaf are continuing. The Nebraska Commission on Special Education developed some criteria by which a possible agreement for a merger might be judged. Recommendations concurring with the criteria proposed by Nebraska were prepared by the Iowa representatives. The criteria reflect the Nebraska Commission's interest in securing certain conditions in the event that the merger of the two deaf schools should occur.

The proposed criteria were reviewed by the Board Office, institutional personnel, and the Iowa School for the Deaf Advisory Committee. Board Office staff believed the criteria suggested by the Nebraska Commission appeared to be reasonable and, with some modification, could be agreed to in every instance.

C O R R E C T E D

GENERAL
November 11-12, 1987

Because of the tight timeline in order to complete the work of the Nebraska Commission for Special Education, the Board Office recommended the Board Office, in consultation with the Board President, be authorized to proceed in the development of a mutually-acceptable agreement for establishing a merged school at the Iowa School for the Deaf. This agreement will be brought back to the Board of Regents for approval.

Regent Tyler asked whether the opposition of some Nebraska parents to the merger in the past had subsided. Director Barak responded that there had been presentations made at the Nebraska Commission meetings by groups opposed to the merger. However, he said the Commission is moving forward with the proposal.

Regent Fitzgibbon asked whether the proposed merger, if approved by the Nebraska Commission and the Iowa Board of Regents, would then be presented to the respective legislatures for approval. Director Barak responded that was correct. He noted that the Nebraska Commission is composed of persons with both with negative and positive opinions of the proposed merger. He said that at this point everyone was keeping an open mind.

Regent Duchen expressed concern that the history of Iowa's special schools indicates a continual decline in enrollments. Although initially a merged school for the deaf would increase enrollments he felt those enrollments would begin declining, also. He asked whether anyone had projected the anticipated future enrollments to determine whether there would still be a financial benefit to a merged school 5-10 years from now.

Dr. Barak responded that was one area which would be carefully reviewed. Mr. Richey added that capital investments have to be very carefully considered for that very reason.

Dr. Barak presented the individual criteria and recommended responses, as follows:

1. Regional concept

- A. A new institutional identity. While building on the identity of both institutions, it must also represent a fresh, new start, plus the concept that "the whole is greater than the sum of its parts."
Recommended Response: It was recommended that the Board authorize the discussion of possible alternative identities for the Iowa School for the Deaf in the event that the merger should take place.
- B. A Multi-state Approach. The institution initially will serve a two state region but should seek to serve a multi-state area encompassing other adjoining states as well. Agencies of the two initial states (Nebraska Board of Education and Iowa State Board of Regents) should actively join in seeking participation by other states.

C O R R E C T E D

GENERAL
November 11-12, 1987

Recommended Response: The multi-state nature of the proposed institution should be encouraged by both states.

2. Joint Accountability and Equal Access.

- A. Equal Access to Programs by Students From Both States. The state in which the institution is located may not provide preference for its students. This also applies to equal treatment for disenrollment. Recommended Response: It is agreed that all students attending the school should be given equal treatment in all matters. It is important that no student feel as if they are second class citizens.

Regent Harris asked whether there had been further definition of the term "disenrollment". Director Barak responded that the term was used in case a reduction in enrollments was necessary, and meant that the reduction would be implemented equitably.

Regent Tyler asked whether Superintendent Johnson had been familiarized with the proposed merger. Director Barak responded that Superintendent Johnson was an active participant in the merger discussions.

- B. Policy (Programmatic and Fiscal). An administrative input and oversight by the appropriate appointed and elected state officials from both states. This action should be taken through the creation of (1) a joint parent/local school advisory committee, with equal membership from each state, which would be advisory to the superintendent of the merged institution as well as to the superior executive bodies in each state; and (2) a transition manager position; this senior administrator should report directly to the superintendent, and should be sufficiently free of other responsibilities so as to assist with day to day management of all aspects of integrating the two student bodies and developing a new institutional identity; for a period beginning well before the merger and continuing through the first three years of the merged service; and (3) a service monitor position on the staff of the appropriate executive agency in the state which will not have the institution within its territory; this would be the responsibility of that state (and not of the institution or its parent agency); and (4) the legislature, and appropriate executive agency, and the local education agencies in each state will retain their current responsibilities for assessment, placement, and review of students.

Recommended Response: It is agreed that some type of policy and administrative input and oversight would be desirable by all participating states. This body should include some type of parent/-local school advisory committee composed of appropriate membership from each state participating in the program. Representation might

C O R R E C T E D

GENERAL
November 11-12, 1987

be based on a ratio of certain numbers of advisory committee members for a certain number of students participating in the school.

A transition manager would be highly desirable. This position should report directly to the superintendent and be a paid employee of the school. This person would have responsibility to the superintendent for seeing that all aspects of the merger are occurring in an effective and an efficient manner.

A service monitor by participating states (other than the state housing the combined school) may be desirable. It would be the responsibility of those states to identify and pay for the salary and benefits of this individual.

It is agreed that the legislature, the appropriate executive agencies and the local education agencies in each state retain their current responsibilities for assessment, placement, and review of students.

- C. Opportunity for periodic review of continued participation by both states (parties).

Recommended Response: While it is agreed that there should be an opportunity for periodic review of continued participation, it is recommended that this be scheduled to allow for an initial period of "transition" with due consideration of the financial commitments of the parties, and that the periodic dates of review be established in advance. A guarantee of participation of a specified number of years may be required in order to justify initial capital outlays. The exact nature of this periodic review mechanism needs to be mutually developed by participating states.

- D. The Current Staff From the Schools for the Deaf in the Two States Should Have Priority and Equal Opportunity for Employment at the Merged Institution. This should be done on the basis of demonstrated proficiency and of program needs. This will infuse "new blood" and new vigor into the program.

Recommended Response: It is agreed that the best staff from each participating school ought to be hired to serve in the combined school. This, however, may be difficult due to certain statutory requirements that restrict the freedom of participating agencies to hire and terminate at will. To be implemented, this criterion would require changes in the Board of Regents policies and some statutory changes. It is agreed that such changes as appropriate to accomplish the aims of this criterion will be pursued.

Director Barak stated the issue of the current staffs was one of the tougher points in the merger discussions.

C O R R E C T E D

GENERAL
November 11-12, 1987

Regent Fitzgibbon noted that the current merger discussion involved only two states, Iowa and Nebraska, and asked whether there had been any discussion related to extending that to other states, as well. Director Barak responded that representatives from both Iowa and Nebraska were interested in participation of an even broader scope. He said there is national and regional interest in the merger concept. However, the difficulty in proceeding with that is that all the other states that have indicated an interest do not want publicity at this time. They are waiting to see how the dual-state merger works.

Regent Fitzgibbon asked if the potential for enrollments during the first 5 to 10 years of operation, based upon a multi-state school for the deaf, had been developed, assuming the anonymity of the states that so wish is protected. Director Barak responded that the representatives have difficulty obtaining a projected number of enrollments for Nebraska because the local school districts decide who will participate in the program.

3. Educational Quality.

A. Accreditation by the North Central Association of Colleges and Schools and the Council of Executives and Administrators Serving the Deaf.

Recommended Response: It is agreed that accreditation by the North Central Association and the Council of Executives and Administrators Serving the Deaf must be maintained for the combined school.

B. A professional staff-to-student ratio that reflects practice in comparable up-to-date programs in the nation.

Recommended Response: To our knowledge, no such staff-to-student ratio exists that has been identified as the ideal for schools serving the hearing impaired. It is recognized that in certain circumstances, different ratios are needed in order to carry out an effective educational program. The representatives of the Board of Regents in Iowa are willing to participate in the development of mutually agreed upon staff-to-student ratios. If such ratios can be agreed to, they could be adopted for use at the school. It is also recognized that different ratios might be developed for the degree of impairment and the elementary, secondary, and residential programs.

C. Adequate levels of supervision of students.

Recommended Response: Further development on this criterion is needed in order to determine what is "adequate" in the various environments of a residential school for the deaf. The representatives of the Board of Regents are willing to participate in discussions to establish "adequate" levels of supervision for students.

C O R R E C T E D

GENERAL
November 11-12, 1987

D. Full Integration of Classroom and Residential ("dormitory" and "independent living") Programs.

Recommended Response: It is agreed that full integration of both classroom and residential programs is highly desirable and should be implemented to the extent possible.

E. Preservice and Inservice Training/Continuing Education Programs for all Staff.

Recommended Response: It is agreed that preservice and inservice training/continuing education programs for all staff will be provided annually. Such programs are currently in place at the Iowa School for the Deaf.

4. Program Scope.

A. A comprehensive curriculum with academic and vocational components. The social studies curriculum should address the history and characteristics of both states.

Recommended Response: It is agreed that the merged school must have a comprehensive curriculum with academic and vocational components. The requirements for graduation of all participating states should be included in the curriculum.

B. A capacity and philosophical orientation to serve students with multiple handicaps.

Recommended Response: It is agreed that the merged school should develop a capacity and philosophical orientation and responsibility to serve students with multiple handicaps. Some specific types of services for the multi-handicapped are not available at the school and may be provided by the area education agencies and others in cooperation with the merged school.

C. A family support component which provides assessment and outreach services.

Recommended Response: It is agreed that a family support component which provides assessment and outreach services consisting of professionals in psychology, audiology, and social work will be provided to students at the merged school as required by the individual educational program (IEP) for each student.

5. Program Evaluation.

A. A program effectiveness evaluation component which will assess educational outcomes for students served.

Recommended Response: It is agreed that an evaluation component which periodically assesses program effectiveness will be in place.

C O R R E C T E D

GENERAL
November 11-12, 1987

This will need to be reviewed by appropriate involvement of all parties participating in the merged school.

6. Facilities.

- A. An up-to-date, fully-accessible campus, with buildings appropriately configured to support quality academic and residential educational programs.

Recommended Response: To the extent fiscally possible, the facilities at the combined school will be developed and maintained to support quality academic and residential educational programs. It is believed that all buildings at the Iowa School for the Deaf are currently accessible to the handicapped.

Modern physical education, interscholastic sports and recreation resources, including facilities for interscholastic basketball and recreational swimming.

Recommended Response: To the extent fiscally possible, the physical education, interscholastic sports and recreation resources will be developed and maintained to provide adequate levels of recreational activities for hearing impaired students.

Regent VanGilst asked if Nebraska's School for the Deaf facilities in Omaha are comparable to Iowa's. Director Barak responded that some of the Nebraska facilities are better than Iowa's, although the conclusion was that Iowa's facilities are better overall. He said the feeling is that the Council Bluffs campus is the better of the two, although that would have to be agreed to by both state legislatures.

Regent Duchen asked whether there is a multiple-state school anywhere in operation. Superintendent Johnson responded that there are none.

MOTION:

Regent Fitzgibbon moved to approve the recommended responses regarding the "Criteria" proposed by the Nebraska Commission on Special Education. Regent Tyler seconded the motion, and it carried unanimously.

STUDENT AID REPORT. The Board Office noted that the Board was presented with the student aid report at this meeting for informational purposes, only. President Pomerantz said the report will appear on the Board's December docket.

ESTABLISHMENT OF PRIORITIES FOR OPERATING BUDGET REQUEST, FISCAL YEAR 1989. The Board Office recommended the Board (1) receive a report including final summary tables outlining the Board's fiscal year 1989 operating budget request; (2) approve the recommended operating budget request priorities for

fiscal year 1989; and (3) receive a brief oral report from a representative of the Iowa Society of Fire Service Instructors concerning the Board's budget request for Iowa State University's Fire Service Institute.

Board Office Recommended
FY 1989 Operating Budget Request Priorities

1. 75% Base
2. Restoration of FY 1988 level
3. Annualization of FY 1988 Merit Step Increases and Fringe Benefit Increases (\$4.1 million)
4. Salaries and Fringe Benefits
 - a) Faculty Salary Increase (\$35.0 million)
 - b) Professional and Scientific Staff Salary Increase (\$12.2 million)
 - c) General Service Staff Salary Increase (\$10.6 million)
 - d) Additional Health and Dental Insurance Cost Increases - FY 1989 (approximately \$2 million)
5. Institutional Income Changes (Tuition revenues, sales and services, federal funds, other income) (\$22.0 million)
6. Inflation
 - a) Utilities (5%; \$1.8 million)
 - b) Supplies and Services (5%; \$4.9 million)
 - c) Equipment (5%; \$0.4 million)
 - d) Library Books (18%; \$1.4 million)
 - e) Building Repairs (5%; \$0.2 million)
7. Supplemental FY 1988 Requests Added to Base (\$4.5 million)
 - a) Unfunded Comparable Worth
 - b) Unfunded Health and Dental Insurance Cost Increases
 - c) Salary Adjustment Fund Reduction
8. Opening New Buildings and Special Utility Requests (separate packages for each) (\$3.2 million)
9. Minority Enrollments (\$2.1 million)
- 10.* Improving Educational Quality Requests (in university sequence; separate packages for each) (\$11.5 million)

* The University of Northern Iowa base equity adjustment of \$1 million in the Board's Improving Educational Quality request was recommended to be prioritized just behind the University of Northern Iowa annualization request item.

11. Regent-wide requests for Supplies and Services (\$2.5 million) and Regent-wide Equipment (\$2.5 million).
12. Library Automation (\$1.3 million)
13. Building Repairs Supplemental Requests (\$3.0 million)

The ranking recommended for the University of Iowa, Iowa State University and the two special schools was identical. The ranking recommended for the University of Northern Iowa deviated in one respect due to the special \$1 million base equity adjustment contained in its Improving Educational Quality request. That \$1 million request was elevated in the recommended University of Northern Iowa priorities because it is for the purpose of restoring base appropriations to the university.

Director True introduced Gary Allan Boorum, a member of the Iowa State University Fire Service Institute Advisory Committee, to address the Board concerning the budget request for that organization.

Mr. Boorum stated the Fire Service Institute budget request consisted of three main askings. The first asking consisted of a request for \$506,589 which would allow the institute to fill three vacant positions. The second asking was for \$196,026 to implement phase I of the institute's long-range plan for staff and program enhancement. The third asking was for \$500,000 for capital improvements.

Mr. Boorum noted that volunteer fire fighters in the state of Iowa donate approximately 25,000 hours of their time every year. He suggested that if those persons are willing to donate their time, the least that should be done for them is to make their jobs a little safer. He said training for all fire fighters comes either directly or indirectly from the Fire Service Institute.

Regent VanGilst asked whether the cities that send their paid fire fighters to the institute pay tuition. Mr. Boorum responded that the only ones who pay are industries. Regent VanGilst suggested that the communities sending their fire fighters to the institute contribute toward the payment of that training. Mr. Boorum said they have recently begun charging a \$25 fee for most of their on-campus courses. Also, the cost for the annual State Fire School has increased from \$5 to \$15 per person. However, the feeling of the institute's advisory committee was that every community was near its limit of taxation.

Regent Fitzgibbon said the Board could assist the institute in finding alternative sources of funding. He suggested the insurance industry was an appropriate source.

GENERAL
November 11-12, 1987

Vice President Madden reminded the Board that legislation created the Fire Service Institute as a free-standing entity, separate from the university. He said the institute was an important program; however, the university had a number of priorities it was trying to balance. He felt the institute had been treated fairly in the university's budget request and suggested the institute work with the legislature on its financial needs.

President Pomerantz stated he believed the institute had an obligation to the state to charge participants higher user fees and to solicit all potential funding sources. He said that at that point the Board would be more supportive of the institute's financial needs and would assist in communicating those needs to the legislature.

Mr. Boorum stated the fire fighters have been very active politically. As far as seeking alternative funding sources, he said they have contacted the insurance industry and talked with legislative representatives about utilizing tax funds from the insurance and tobacco industries.

President Pomerantz reiterated the Board's support in the spirit he outlined previously.

In regard to the fire fighter training offered by the institute, Regent Harris asked whether every applicant for a job as a fire fighter must enroll in the Fire Service Institute. Mr. Boorum clarified that they either train the fire fighters themselves or train the trainers to train the fire fighters. They also hold a fire school in the summer.

President Pomerantz welcomed Senator Joy Corning to the meeting.

In regard to Professional and Scientific staff salary increases Regent Harris asked for a cross section of the educational requirements. Director Wright responded that generally they must have not less than a Bachelor's degree and some employees have up to and including a Ph.D.

Regent Harris asked for the average entry-level Professional and Scientific salary. Director Wright said there are pay scales for each job classification within the Professional and Scientific structure, and those vary by institution.

Associate Vice President Small stated the lowest Professional and Scientific entry-level salary at the University of Iowa is approximately \$16,500 - \$17,000 for a twelve-month appointment.

Vice President Madden stated the lowest Professional and Scientific entry-level salary at Iowa State University is approximately \$14,000. He said the range of skill and responsibility varied tremendously within the Professional and Scientific classification. The Ph.D.-level scientists are paid

GENERAL
November 11-12, 1987

comparable to faculty members. He said the average salary in the Professional and Scientific structure would be in the \$20,000s.

Director Wright noted that the University of Northern Iowa's pay plan was similar to Iowa State University's. He said the University of Iowa Professional and Scientific pay plan has one pay scale with no maximum salary. Associate Vice President Small noted there is a very small number of employees within that pay category.

Regent Harris stated public school teachers deserve much higher salaries than they are now receiving, and he felt the salary need of Professional and Scientific staff is almost equal to that of faculty. He said something must be done for this very important group of people without whom a lot of work would not be accomplished.

Regent Williams said she felt that with so much discussion last month on the minority recruitment effort the Professional and Scientific salary issue became lost in the shuffle. She noted that in looking at the recent salary report it became obvious that Professional and Scientific salary increases have rarely, if ever, been at the same percentage as those of faculty, even though the Professional and Scientific staff salaries are generally lower than faculty's to begin with. She hoped the Board would address this issue in the future.

Mr. Richey said there are a great number of state employees whose average salary increases are no more than those of Professional and Scientific staff and, in some cases, much less. He reminded Board members that the three-year commitment of the Board is to raise faculty salaries.

Regent Williams expressed concern that a problem arises when individuals with comparable credentials are performing high-level tasks alongside others performing those same tasks for a much higher salary. She said that in many cases it creates morale problems that may not be present in other areas of state government.

President Eaton stated the system is very badly flawed. He said the Professional and Scientific system consists of a broad classification of people. At Iowa State University fewer than 3-4 percent of Professional and Scientific staff have Ph.D.s. He said nationwide surveys of similar positions show that Iowa State University's Professional and Scientific staff are at an advantage relative to Iowa State University's faculty salaries. President Eaton suggested there was a need to look at the Professional and Scientific salary structure and break that down into subgroups. For example, he said that custodial supervisors and nurses are both within the Professional and Scientific salary structure and, therefore, treated the same in regard to salary increases. President Eaton stated there are three very different kinds of situations regarding staff salaries at the universities.

GENERAL
November 11-12, 1987

Regent Williams agreed there may be a need for a complete review of the Professional and Scientific staff salary structure.

President Curris stated there are great differences among Professional and Scientific salary issues at the three Regent universities. At University of Northern Iowa there are fewer Professional and Scientific employees than faculty. In contrast to Iowa State University he said University of Northern Iowa's Professional and Scientific employees are paid considerably less than any benchmark and, as a whole, their salaries are more out of line than salaries of faculty. He said last year the Board raised faculty salaries substantially which he understood and accepted as the judgment of the Board. However, the gap between Professional and Scientific and faculty salaries widened and the disparity became much greater. President Curris said the Professional and Scientific salary issue is a very serious problem. He hoped this matter would be an integral part of the budget process next year.

President Remington reminded the Board that University of Iowa officials argued rather vehemently that the gap between faculty and Professional and Scientific salaries was simply too great. He said University of Iowa Hospitals and Clinics employees' salaries are slipping further behind the market. University officials are unable to hire even their own graduates. He expressed concern for the future if they cannot hire the best people to do the jobs. Professional and Scientific and faculty employees are increasingly working together in teamwork situations. The salary inequity then has an affect on the morale of the team. University officials felt they could accommodate an equal percentage of increase for Professional and Scientific staff as that of faculty on a compromise basis. They previously asked the Board to approve an 11 percent salary increase for Professional and Scientific staff and the university, through internal reallocation, would accommodate the additional two percent. However, he said the difference between 13 percent and 7 percent was too great a difference to accomplish that.

Regent Harris stated that while the Board could not do anything about the salary situation this year, the message should be sent to the employees that the Board is aware of and not ignoring the problem, and that it plans to give its best effort to correcting the situation.

President Pomerantz said President Eaton's suggestion to review the whole salary structure appeared to be what was needed. He said there was a need to reevaluate each position and apply the test of the local or institutional market. By the next budget year the Board will have an evaluation of the positions' competitiveness and be able to determine appropriate levels of compensation. He said the Board would be fair and competitive in the context of what it can afford. He suggested the Board Office develop a procedure to accomplish this review to be presented to the Board in December or January so the Board will have an answer by the next budget cycle. He asked that the institutions communicate to their Professional and Scientific staff

organizations the recommendation of the Board and its willingness to look at the situation.

Regent Williams asked for specifics on the Regents' budget presentation to the Governor. Mr. Richey said all Board members are invited and urged to attend the budget presentation on November 25, 1987, from 2:00 - 4:00 p.m. He said the President of the Board of Regents will make the overall presentation and Regent Tyler will make the capital presentation. Each university president will be allowed 15 minutes to present the individual university budgets.

MOTION:

Regent Harris moved to (1) receive a report including final summary tables outlining the Board's fiscal year 1989 operating budget request; (2) request a thorough review of the Professional and Scientific staff systems and to relay that action to the Professional and Scientific organizations; (3) approve the recommended operating budget request priorities for fiscal year 1989; and (4) receive the report from Mr. Boorum of the Iowa Society of Fire Service Instructors concerning the Board's budget request for Iowa State University's Fire Service Institute. Regent Tyler seconded the motion, and it carried unanimously.

Mr. Richey distributed copies of correspondence he proposed sending to Senator Dieleman and Representative Blanshan requesting funding of \$156,495 to assist in providing Employee Assistance Programs to employees of Regent institutions in fiscal year 1988.

MOTION:

Regent VanGilst moved to approve submission of the letter. Regent Williams seconded the motion, and it carried unanimously.

REPORT ON FEDERAL BUDGET ISSUES AFFECTING HIGHER EDUCATION. The Board Office recommended the Board receive the report on federal budget issues affecting higher education.

Efforts are underway between representatives of the President and the Congress to revise the federal budget to address national fiscal and economic problems. Some of the issues under discussion have potentially major impacts on the programs and activities of the Regent institutions.

President Pomerantz recognized Professor Derek Willard, Acting Associate Vice President for Educational Development and Research, University of Iowa.

GENERAL
November 11-12, 1987

Professor Willard stated no one knows what the effect of the federal budget revision discussions is likely to be. He said there may be selected cuts rather than an across-the-board cut such as the Gramm/Rudman/Hollings bill would do. The cuts may or may not fall on programs of vital interest to the Regents. On October 29 the U.S. House of Representatives and Congress voted to cut spending by \$23 billion in order to decrease the present increase in the federal budget deficit. \$8.5 billion of that cut would be in domestic spending. That bill passed by one vote, 206-205. He said the Senate has not yet given its version of the bill.

On November 20, 1987, the Gramm/Rudman/Hollings budget reduction formula will take effect. Professor Willard said if that formula is activated it would initiate an 8.5 percent across-the-board cut. The total funding loss to the University of Iowa would be \$8.2 to \$9.4 million. \$600,000 of that would be in student aid and \$800,000 to \$2 million in University Hospitals funding. He noted that those figures did not take inflation into account. One suggestion is to freeze the budget and find revenues another way. He said if that occurs in addition to the Gramm/Rudman/Hollings formula the losses sustained by the universities could double.

Professor Willard said his forecast was a worst-case scenario. If selective cuts are made, the universities would probably do alright. He cautioned, however, that the bottom line figures of Gramm/Rudman/Hollings should not be ignored. The first effect of that bill's formula is that students would be denied financial aid and, therefore, denied access to an education. He said the neediest students are the ones who depend on those funds. The initial figures are that 500 of the university's students would lose financial aid. Another affect would be a reduction in research capacity.

Regent Harris asked what would happen to the financing of the Human Biology Building if there is a reduction in research funding since indirect costs from research funds are part of the financial structuring of that building. Professor Willard responded that there is no prediction of how long an across-the-board cut would remain in effect. He said that although there is a relationship between that building, its research and the budget cuts, the university may still be highly competitive because of its standing in that particular type of research.

President Eaton recently attended a National Association of State Universities and Land-Grant Colleges meeting in Washington, D.C. He said a panel discussion was held on the federal role in university research past, present and future, with representatives from the U.S. Department of Agriculture, The National Science Foundation, and the National Institutes of Health. The audience asked them to speculate whether the Gramm/Rudman/Hollings bill would initiate the necessary budget cuts or whether an agreement would be reached on selected cuts. He said they wouldn't even speculate on that question.

Vice President Madden addressed some of the programmatic effects the federal budget issues would have at Iowa State University. Three projects at the university rely heavily on federal funding: 1) Agriculture and Home Economics Experiment Station, 2) Cooperative Extension Service and 3) Ames Laboratory. He said that in the worst case scenario described earlier by Professor Willard there would be an 8-1/2 percent funding cut resulting in a \$400,000 reduction for the Agriculture and Home Economics Experiment Station, \$600,000 reduction for the Cooperative Extension Service, and \$200,000 reduction for the Ames Laboratory. Vice President Madden said that in the interim all three of those units are taking steps to maximize the funds they now have, including leaving a significant number of positions vacant.

Vice President Madden stated the federal budget issue creates varying degrees of problems including a reduction in carryover federal funding. He said the probable range of reduction in Iowa State University's research funding is \$3 million at a minimum and \$5 million maximum. The implication of the indirect cost support reduction is a significant percentage of the general fund. In the case of projects with the U.S. Department of Agriculture and the U.S. Department of Energy, he said both those agencies have specific programs they are committed to. Therefore, the university would fare worse under programmatic reductions rather than across-the-board reductions. He estimated it may be close to Christmas before it all settles down and the universities have an idea of their future funding expectations.

President Curris addressed the area of student financial assistance. He said that over the past few years significant changes have taken place in the student financial aid area. Financial aid went from a system of full-funded grants to loans, from loans to guaranteed loans at higher rates, and from guaranteed loans to a tightening of the qualification guidelines and amount of assistance available. He said there is a strong movement in Congress, however, to not cut student financial aid further, which has brought a sense of relief to campuses. Student financial aid is not an area directly threatened by budget reductions although President Curris said the Gramm/Rudman/Hollings bill would affect it.

President Pomerantz stated each university should have a contingency plan that could be immediately implemented in case an unexpected funding shortfall does occur.

ACTION:

President Pomerantz stated the Board received the report on federal budget issues affecting higher education by general consent.

LEGISLATIVE PROGRAM, 1988. The Board Office recommended the Board receive a report on proposed legislative issues prior to establishing the legislative program, which is scheduled for the December meeting.

GENERAL
November 11-12, 1987

Issues presented for discussion in establishing the Board's 1989 Legislative program were as follows:

- * Lottery Funded Research and Development Program
- * Limitations on Full-Time Equivalent Employees
- * Enabling Language to Create a Regional School for the Deaf in Council Bluffs
- * Timely Audits by the State Auditor's Office
- * Equivalent Retirement Benefits Program for Board Office Employees
- * Gift Law
- * Providing Full Cost Recovery for High School Students Attending Regent Universities
- * Occupational Therapy Programs
- * Prepaid Tuition Plans
- * Authority to Issue Zero Coupon Bonds
- * Authority to Provide Appropriate Property Risk Protection
- * Appropriate Salary Adjustments for the Specialized Child Health Services Mobile and Regional Clinics Operations

Director True stated this was the second year of a two-year legislative program; therefore, the legislative program included bills carried over from the prior legislative session.

Regent VanGilst asked for clarification on the proposal for full cost recovery for high school students attending Regent universities. Director True responded that last session House File 499 provided that school districts pay tuition and other expenses for students enrolled in Iowa post-secondary institutions. A cap on the amount to be reimbursed to institutions by school districts was set at \$200/course which is not sufficient in all cases to cover the cost of tuition and books. During the last legislative session the Board's legislative liaisons advocated no cap and that reasonable costs be the standard.

Regent Tyler asked to make it a matter of record that he is in favor of HF 529 prohibiting Regent universities from competing with private enterprise. The Regents' position was indicated as being opposed to the bill.

ACTION:

President Pomerantz stated the Board received a report on proposed legislative issues prior to establishing the legislative program, which is scheduled for the December meeting, by general consent.

PROGRESS REPORT ON ORGANIZATIONAL AUDITS. The Board Office recommended the Board receive the report on Organizational Audits.

The site visitations by the consultants are completed and the consultants are in the process of developing a preliminary written report. It was anticipated that the oral presentation of the final report will be made to the Board at its December meeting.

President Pomerantz reminded the Board the organizational audit is a two-phase program. The first phase will determine the scope of the organizational audit. The Peat Marwick Main firm has come forward with very preliminary data. He said that more than one Regent and one university have voiced some concern about where they may be coming from. He asked that everyone wait until the Board receives the final report which will be far more comprehensive than what has been communicated thus far.

ACTION: President Pomerantz stated the Board received the report on Organizational Audits by general consent.

PROGRESS REPORT ON STUDIES OF PRIORITY ISSUES. The Board Office recommended the Board receive the status report on studies of priority issues.

The staffs of the institutions and the Board Office have started work on the priority issues in preparation for a meeting of the Regents assigned to study the specific issues. Some studies have been delayed because of unexpected staff vacancies. Other studies will be well underway during the second phase of the organizational audits. The consolidation of business functions of the special schools is under intensive study and a preliminary report should be available to the Board by its December meeting. Intensive activity is expected on all of the issues shortly after the first of the year, when the preliminary staff work is expected to be completed.

Mr. Richey stated he expected to report good progress over the next couple of months.

President Pomerantz asked that if the study groups encounter issues that should be dropped or others that should be added they not wait until the end of the study period to present those to the Board.

ACTION: President Pomerantz stated the Board received the status report on studies of priority issues by general consent.

REPORT OF REGENTS BANKING COMMITTEE. The Board Office recommended the Board receive the report of the Regents Banking Committee.

Regent Fitzgibbon, Chair of the Banking Committee, reported that the committee reviewed reports from each institution on their treasury activities. He said the committee anticipates presenting a recommendation on cash management and investment procedures at the next Board meeting.

ACTION: President Pomerantz stated the Board received the Regents Banking Committee report by general consent.

ANNUAL REPORT ON PURCHASING ACTIVITIES. The Board Office recommended the Board receive the annual report on purchasing activities.

Centralized Purchases in Fiscal Year 1987

University of Iowa	+19.9%
Iowa State University	(1.1)
University of Northern Iowa	(2.8)
Iowa School for the Deaf	(32.3)
Iowa Braille & Sight Saving School	<u>+5.1</u>
Net Increase	+13.6

Director True stated the Regent purchasing reports reflected efficient and effective purchasing operations. He highlighted several statistics:

- * Regent institutions purchased \$39.6 million in products from Iowa small businesses, an increase of 10.3 percent over the previous fiscal year. The increase one year ago was 25 percent.
- * For the first time, statistics have been collected on total purchases from Iowa-based, not just Iowa small businesses. Total purchases from all Iowa-based businesses were \$118.1 million.
- * The purchasing increase for fiscal year 1987 is 13.6 percent, which is almost completely attributable to the University of Iowa. Director True said he discussed this with the institution. In a qualitative sense he said the increases were basically due to increased research purchasing activity, University of Iowa Hospitals and Clinics activity, furnishing and equipping new buildings, and continuing computer replacements and improvements. A more quantitative assessment is needed from the university.

Regent Tyler asked whether the institutions were incurring penalties by reason of the Iowa small business set aside. Director True responded that the amount, which he said was approximately \$45,000 for all institutions combined, was rather insignificant in relation to the total amount of Regent purchases.

President Pomerantz noted that while the total purchases are up in terms of Iowa firms they are not evenly spread across the various institutions. He suggested there might be a way to understand the reasons on a disaggregated

basis. Mr. Richey stated Director True was working on that. The Board Office will furnish that information to the Board upon completion.

ACTION: President Pomerantz stated the Board received the annual report on purchasing activities by general consent.

BOARD OFFICE PERSONNEL REGISTER. The Board Office recommended the Board approve the Board Office Personnel Register for November 1987.

The register for November 1987 contained the following transaction:

Transfer from Legislative Fiscal Bureau: Glen Dickinson to Associate Director, Business and Finance, at an annual salary of \$40,000 plus the usual fringe benefits, effective November 27, 1987.

ACTION: President Pomerantz stated the Board approved the Board Office Personnel Register for November 1987 as a consent item.

NEXT MEETINGS SCHEDULE.

November 12, 1987	Board Reconvenes Electronically	
December 9-10	Iowa School for the Deaf	Council Bluffs
January 20, 1988	Iowa State University	Ames
February 17-18		Des Moines
March 23-34		Des Moines
April 19	University of Iowa	Iowa City
April 20	Iowa Braille and 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

President Pomerantz noted that the meeting would reconvene with a telephone conference call on Thursday, November 12, at 11:00 a.m., for the purpose of holding a public hearing for the sale of Recreational Facility Revenue Bonds, Series I.S.U. 1987, and to sell the bonds if, following the hearing, the Board determines they should be sold.

ACTION: President Pomerantz stated the meetings schedule was received as a consent item.

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

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, November 11, 1987.

REGISTER OF PERSONNEL TRANSACTIONS. The Board Office noted the personnel register for the month of November 1987 had not been presented for review.

President Pomerantz stated the Register of Personnel Transactions was not approved as a consent item. He assumed the register would be brought up to date at the next Board meeting.

COURSE CHANGES. The Board Office recommended the Board refer the proposed course changes to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

MOTION: Regent Williams moved to refer the proposed course changes to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. Regent Fitzgibbon seconded the motion, and it carried unanimously.

RESIGNATION. The Board Office recommended the Board accept the resignation of John E. Moore as Director of Student Financial Aid, effective January 1, 1988, and acknowledge the commencement of a search process for his successor.

President Remington stated Mr. Moore is retiring following twenty-two years of university service. He said Mr. Moore was a very effective administrator.

ACTION: President Pomerantz stated the Board, by general consent, accepted the resignation of John E. Moore as Director of Student Financial Aid, effective January 1, 1988, and acknowledged the commencement of a search process for his successor.

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

PERMISSION TO PROCEED WITH PROJECT PLANNING

Finkbine Commuter Parking Lot Construction

The university requested permission to initiate planning on construction of an 800-space parking lot to be located southwest of the Carver-Hawkeye Arena near the edge of the Finkbine Golf Course. The lot is for commuter parking and will expand the capacity of the existing Arena commuter lot located on Hawkins Drive.

As part of the project, an access road would be constructed linking the new parking lot with Hawkins Drive. The transit bus system operated by CAMBUS will serve the new parking lot and provide transportation between the lot and the remainder of the campus. Construction of the new 800-space commuter parking lot is an effort by the university to correct deficiencies in parking on the west campus.

The probable cost for the 800 spaces and the access roadway is \$1.1 million. The project will be funded out of parking system operating revenues. It is anticipated that the lot could be available for use by the fall of 1988.

In separate action, the university requested permission to negotiate with Shive-Hattery and Associates, Iowa City, Iowa, for design services on the project. The firm has considerable experience in parking facilities and assisted the university in the original concept work of this project. The university will return to the Board for approval of the design agreement after completion of negotiations.

PROJECT DESCRIPTIONS AND BUDGETS

The university submitted two new projects for approval by the Board.

Rienow Hall--Replace Windows \$606,000
Source of Funds: Dormitory Improvement Reserves

This project involves replacement of the existing windows on the north and south elevations of the residence hall. The existing windows will be replaced with an energy-efficient, aluminum window system, including one inch insulated glass.

University Hospitals and Clinics--Patient and Guest Relations Office Consolidation \$564,870
Source of Funds: University Hospital Building Usage Funds

This project involves finishing approximately 6,000 square feet of shelled-in space on the eighth floor of the Carver Pavilion to provide office space for patient support services. The patient services include the volunteer project art program, patient library and education center. The consolidation of the offices will be located adjacent to the Patient and Visitor Activity Center approved in October.

Hospital staff indicated that construction of a stairwell between this facility and the patient solarium and dining area contributes approximately \$10 per square foot to the project cost.

* * * * *

The university presented a revised project description and budget on the following project.

<u>Water Treatment Plant Expansion</u>	Original Budget	\$3,062,000
Source of Funds: Capital appropriations or Academic Building Revenue Bond proceeds, supplemented by Treasurer's Temporary Investments	Revised Budget	\$4,062,000

The university indicated the scope of the project must be expanded to include two additional components. One additional component is a ground storage reservoir that will provide a chlorine contact basin for the Water Treatment Plant. Iowa Department of Natural Resources regulations require a retention time after chlorine disinfectant is added and prior to distribution. The approximately 68 foot diameter basin will serve as the retention basin. The second additional component is an upgrade of the electrical power supply system at the water plant from 1,000 KVA to 1,500 KVA service. The age and projected electrical load of the expanded Water Treatment Plant require upgrade and expansion of the electrical system.

The electrical power supply is estimated at \$550,000 and the chlorine contact basin is estimated at \$450,000. The additional components increase the project cost by \$1 million.

* * * * *

The university presented two new projects with budgets of less than \$250,000 that will be initiated in the coming months. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university.

CONSULTANT AGREEMENTS

The university requested approval of consultant selections and authorization to negotiate agreements on two projects:

<u>Armory Replacement Facility</u>	\$24,425
Bussard/Dikis Associates, Ltd., Des Moines, Iowa	

The university requested approval of Bussard/Dikis Associates, Ltd., for initial architectural services on the Armory Replacement Facility. The firm was selected as a result of the screening process in accordance with Regent policy. The university notified the architectural profession in Iowa of its intention to select a firm for recommendation to the Board for design services on this project. Thirteen firms responded to the request and three firms were interviewed by the university's architectural selection committee. A member of the Board staff participated in the interviews.

Bussard/Dikis was recommended because of their experience in remodeling the adjacent Field House at the university. Their familiarity with the building and the satisfaction of the departmental users are factors that led to the university's recommendation of Bussard/Dikis.

In anticipation of the Board's action, the university negotiated a letter form of agreement that will provide for initial planning services. The services will not exceed \$24,425, plus up to \$1,000 in reimbursables. The university will undertake negotiation and preparation of a standard, full-service agreement with Bussard/Dikis.

North Campus Parking and Chilled Water Facility
Herbert Lewis Kruse Blunk Architects

The university requested authorization to proceed with negotiations for a professional services agreement with Herbert Lewis Kruse Blunk Architects for design of the North Campus Parking and Chilled Water Facility.

The project is related to the Laser Laboratory planning because of the need to construct a parking facility to replace parking eliminated by the Laser Laboratory. In addition, the project results from investigation of alternatives for the delivery of chilled water to the Laser Laboratory and the Chemistry-Botany Building.

The preliminary study conducted by the university indicates that a parking structure containing approximately 380 parking spaces can be placed on a site northeast of the Laser Laboratory site. The parking structure will also be the location for a central chiller plant with an ultimate capacity of 6,000 tons. An initial chilled water plant will be constructed with approximately 2,000 tons capacity. The future capacity will be required to accommodate existing and future academic buildings on North Capitol Street, residence system facilities and the balance of the northeast portion of campus.

The university estimated the preliminary cost of the 2,000 ton chiller plant, including the 380-car parking structure and room for expansion to a 6,000 ton chiller plant and relocation of the electrical substations, is \$8,475,000. The project will be funded from the Chemistry-Botany Remodeling Project, the Laser Laboratory Project, parking system revenues and Treasurer's Temporary Investments.

Herbert Lewis Kruse and Blunk performed the initial feasibility study and is familiar with the problems associated with the design of the facility. A mechanical/engineering firm will be selected to design the central chiller plant and related mechanical and electrical components of the project. The agreement with Herbert Lewis Kruse Blunk will include provision for design coordination and incorporation of the design of the central chiller plant and other mechanical and electrical requirements of the parking structure into the contract documents for construction of the facility. The university will return to the Board for approval of the design agreement after completion of negotiations.

CONSTRUCTION CONTRACTS

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

<u>University Hospitals and Clinics Pediatric Faculty Office Consolidation</u>	<u>\$311,450</u>
Award to: Merit Construction Company, Cedar Rapids, Iowa (3 bids received)	

This project involves finishing 7,000 square feet of space on the second level of the Colloton Pavilion. The project will enable the faculty of the Pediatrics Department to be located in offices in close proximity to the Pediatrics Patient Care Units.

Hansen Lind Meyer, Inc., Iowa City, is project architect. Source of funds for the \$440,000 project is University Hospital building usage funds.

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

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

Parklawn Apartments Renovation
McComas-Lacina Construction Company, Inc., Iowa City, Iowa

15 KV Electrical Loop I Extension--Phase II
Gerard Electric, Inc., Iowa City, Iowa

* * * * *

STATUS REPORT

Recreation Building--Structural Repair

The university provided a status report on the extent of damages to the Recreation Building.

Director True stated the budget for the structural repairs to this point is \$2,753,000.

Regent Tyler thanked everyone responsible for preparing the status report. He said he did not agree with the university's statement that change orders of this magnitude on a major restoration project are to be expected and are well within normal ranges. He questioned why it was not known at the time of the original construction that the cables which tie the concrete buttresses of the building to each other across the width of the building which were supposed to be enclosed in waterproof plastic ducts, had not actually been enclosed. He also questioned the need to replace the lighting system.

Vice President Phillips stated this has been a difficult project involving structural deterioration which has been uncovered as the project has proceeded. She said the number of change orders for most projects is clearly less than the number for this project; however, she reminded the Board that with structural deterioration the damage may be unidentifiable on the surface. She said the encasement of the cables is a case in point. The original plans called for the encasement. University officials assumed they were encased when the project was completed but later discovered the cables were not encased.

Vice President Phillips said it was unfortunate that the structural repair had resulted in the building being closed for an extended period of time. They had estimated the building would be reopened in January. The current construction schedule appears to adhere to the January opening; however, two additional corrections to this building, which were not originally included as a part of the project, have become apparent. Those are the lighting system and redoing the floors. She said the floors were covered during the renovation project. University officials hope to open the building for usage in January and then address the two additional projects once they are fully estimated, which will most likely be next summer.

Regent Duchen asked for a ball park figure of the cost of reconstruction including replacing the flooring and lighting system. Vice President Phillips responded that a ball park figure would be \$3 million.

Regent Harris asked who was responsible for assuring the specifications were met when the building was constructed. He also questioned whether anything was being done now to ensure that specifications are carried out as written. Vice President Phillips responded that an outside project engineer is ensuring that the project specifications are adhered to. With respect to Regent Harris' question related to the original construction she said she

C O R R E C T E D

STATE UNIVERSITY OF IOWA
November 11-12, 1987

believed the responsibility for ensuring the specifications were met was a combination inspection and approval by university personnel. Assistant to the President Mears stated the question of who was responsible and whether anyone breached a duty were issues in the lawsuit. She advised that the Board not discuss these issues due to the pendency of the litigation.

Regent Tyler said he hoped someone from the institution was willing to assure the Board that the type of problems encountered with this project would not happen again. He was especially concerned due to the extensive amount of construction going on at the university. Vice President Phillips responded that was the university's goal.

President Pomerantz stated he was sure that when the building was built the university followed appropriate procedures. Therefore, he said they must reinforce their claim as they pursue the litigation.

MOTION: Regent Tyler moved to approve the University of Iowa Register of Capital Improvement Transactions. Regent VanEkeren seconded the motion, and it carried unanimously.

LEASE OF PROPERTY FROM THE STATE BOARD OF REGENTS TECHNOLOGY INNOVATION CENTER, OAKDALE CAMPUS TO PROFILES CORPORATION, APPLIED DESIGNS, AND CAROLYN BROWN, Ph.D. The Board Office recommended the Board approve leases with tenants, as follows: (a) PROFILES CORPORATION for the use of approximately 674 square feet of office space (Rooms 201, 202, and 203) in the Technology Innovation Center at the Oakdale Campus for a period of one year commencing December 1, 1987, and ending November 30, 1988, at a rate for the period of \$5,729.04 (Renewal); (b) APPLIED DESIGNS for the use of approximately 264 square feet of office space (Room 119) in the Technology Innovation Center at the Oakdale Campus for a period of six months commencing December 1, 1987, and ending May 31, 1988, at a rate for the period of \$792 (Renewal); and (c) CAROLYN BROWN, PH.D for the use of approximately 264 square feet of office space (Room 127) in the Technology Innovation Center at the Oakdale Campus for a period of one year commencing December 1, 1987, and ending November 30, 1988, at a rate for the period of \$1,584 (New).

The rental rates for leases (b) and (c) above are calculated at the rate of \$6.00 per square foot per year and include utilities and services. The rental rate for lease (a) is calculated at the rate of \$8.50 per square foot per year and includes utilities and services. The higher rate is charged for this tenant consistent with the practice that the university reported to the Board of charging tenants a higher rate to encourage their movement out of the Technology Innovation Center when the university determined that the center was not the most appropriate location for the business. This generally is the result of the university's determination that the business is prepared to function independent of the university.

MOTION:

Regent VanGilst moved to approve leases with tenants, as follows: (a) PROFILES CORPORATION for the use of approximately 674 square feet of office space (Rooms 201, 202, and 203) in the Technology Innovation Center at the Oakdale Campus for a period of one year commencing December 1, 1987, and ending November 30, 1988, at a rate for the period of \$5,729.04 (Renewal); (b) APPLIED DESIGNS for the use of approximately 264 square feet of office space (Room 119) in the Technology Innovation Center at the Oakdale Campus for a period of six months commencing December 1, 1987, and ending May 31, 1988, at a rate for the period of \$792 (Renewal); and (c) CAROLYN BROWN, PH.D for the use of approximately 264 square feet of office space (Room 127) in the Technology Innovation Center at the Oakdale Campus for a period of one year commencing December 1, 1987, and ending November 30, 1988, at a rate for the period of \$1,584 (New). Regent Williams seconded the motion, and upon the roll being called, the following voted:
AYE: Duchen, Fitzgibbon, Harris, Pomerantz, Tyler, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Greig.

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, November 11 and Thursday, November 12, 1987.

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

ACTION: President Pomerantz stated the Board approved the Register of Personnel Changes for October 1987 as a consent item.

REQUEST FOR APPROVAL OF ADMINISTRATIVE APPOINTMENT. The Board Office recommended the Board approve the appointment of Claudia L. Hale, Chair, Department of Speech and Communication, effective November 1, 1987, through June 30, 1989, salary as budgeted.

ACTION: Regent Fitzgibbon moved to approve the appointment of Claudia L. Hale, Chair, Department of Speech and Communication, effective November 1, 1987, through June 30, 1989, salary as budgeted. Regent Duchon seconded the motion, and it carried unanimously.

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

PROJECT DESCRIPTIONS AND BUDGETS

The university initiated two projects with budgets of less than \$250,000. The information provided by the university on the smaller projects was presented in the register for ratification by the Board.

* * * * *

CONSTRUCTION CONTRACTS

The following construction contract was referred to the Board for award:

Utilities--Replace Steam Generators No. 1 and 2--
Continuous Emission Monitoring System \$176,017
Award to: Enviroplan, Inc., West Orange, New Jersey
(3 bids received)

Of the three bids received, only the bid of Enviroplan, Inc., met the requirements identified in the specifications. The other bidders proposed alternate equipment that did not conform to the specification requirements.

Enviroplan's original base bid of \$127,463 included a detailed price breakdown of items they considered as options to the base bid. Some of the items which Enviroplan included as options are necessary for a complete continuous emission monitoring system. University officials added the cost of these essential items to the base bid. After evaluation by the university, Enviroplan's final bid price was \$176,017. This price was verified by Enviroplan and a revised proposal dated October 19, 1987, was submitted.

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

The university reported acceptance of one completed construction project. Inspection of the project found that the contractor complied with the plans and specifications. The university recommended that work on the project be accepted as complete.

Beardshear Hall--North First Floor Renovation Harold Pike Construction Company, Ames, Iowa

Director True presented one additional item, as follows:

Seed Processing Building -- Razing and Disposal

Bidding on this project was limited to certified Targeted Small Businesses. An award of contract was made to Hughes Enterprise of Des Moines in the amount of \$43,000. The only other bid received was almost double the estimated cost for the work. As of the date the contract was to begin, October 26, 1987, the contractor had not provided a signed agreement and certificate of insurance. On November 2, 1987, the university advised Hughes Enterprise in writing that a signed agreement and a certificate of insurance must be provided by November 9 or the bid would be rejected. The contractor was unable to meet this deadline or to obtain the necessary liability insurance coverage as required by the contract specifications.

Director True stated the university requested to reject all bids and rebid the project.

MOTION:

Regent Harris moved to approve the capital register, including the request to reject all bids and rebid the Seed Processing Building project. Regent Tyler seconded the motion, and it carried unanimously.

ISIS LEASE - UNIVERSITY SYSTEM TECHNOLOGY, INC., AND TELFAX COMMUNICATIONS.

The Board Office recommended the Board approve leases with tenants as follows: (a) UNIVERSITY SYSTEM TECHNOLOGY, INC. for their use of approximately 488 square feet of space in the Iowa State Innovation System incubator facility (ISIS) in the room commonly known as 201 for a term of one year commencing January 1, 1988, and ending December 31, 1988, at an annual rent of \$2,463.96; and (b) TELFAX COMMUNICATIONS for their use of approximately 474 square feet of space in the Iowa State Innovation System incubator facility (ISIS) in the rooms commonly known as 202A, 202B, and 202C for a term of one year commencing October 1, 1987, and ending September 30, 1988, at an annual rent of \$2,607.

The tenants are (a) a corporation formed by the university and the alumni association to market software developed by the university's administrative data processing center and (b) a private for-profit corporation. The leases are on the standard format approved by the Board in 1986.

MOTION:

Regent VanEkeren moved to approve leases with tenants as follows: (a) UNIVERSITY SYSTEM TECHNOLOGY, INC. for their use of approximately 488 square feet of space in the Iowa State Innovation System incubator facility (ISIS) in the room commonly known as 201 for a term of one year commencing January 1, 1988, and ending December 31, 1988, at an annual rent of \$2,463.96; and (b) TELFAX COMMUNICATIONS for their use of approximately 474 square feet of space in the Iowa State Innovation System incubator facility (ISIS) in the rooms commonly known as 202A, 202B, and 202C for a term of one year commencing October 1, 1987, and ending September 30, 1988, at an annual rent of \$2,607. Regent Williams seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: Greig.

INTERNATIONAL TRADE CENTER- LEASE OF SPACE. The Board Office recommended the Board affirm its approval of September and October of the leases with the World Trade Center in Des Moines for the use and benefit of Iowa State University.

The Board approved leases with the International Trade Center Limited Partnership for the benefit of Iowa State University at the Board's September

and October meetings for suites on the skywalk level of the International Trade Center. Approval was conditioned upon a clause providing for termination after 18 months of occupancy under the three-year leases. It was not reported to the Board that there is not presently a skywalk connection to the International Trade Center.

The Board was asked to reaffirm the leases with the knowledge that there is not a present skywalk link to the building though one is contemplated within the next twelve months.

Vice President Madden said it was not the university's intent not to provide full information. He apologized for not highlighting that issue and said he did not see it as having a programmatic impact.

Regent Fitzgibbon asked when it would be connected to the skywalk and how the cost would be allocated. Vice President Madden responded that Mr. Gerleman is responsible for the cost of the skywalk connection. He added that the city does the actual bidding and construction.

President Pomerantz noted that although the university said the lack of connection to the skywalk would not affect the project programmaticaly, there was no benefit to being on the skywalk level if the skywalk is not connected. He said there should be a cancellation provision within the lease in case the skywalk is not completed in two years. The university could then encourage the landlord to comply with the terms of the agreement.

Regent Fitzgibbon said there are several clauses that should always be in a lease, which he felt the Board, at some point, should address.

Regent VanGilst noted the base lease is for \$12/square foot; however, utilities and other costs would be added to that. He asked what the total cost per square foot was with all the other costs added. Regent Fitzgibbon estimated it could end up costing \$18/square foot.

MOTION:

Regent Williams moved to affirm approval of September and October of the leases with the World Trade Center in Des Moines for the use and benefit of Iowa State University.

Regent VanEkeren seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: Greig.

VETERINARY MEDICINE PROFESSIONAL CLASS SIZE. The Board Office recommended the Board defer until December on the Veterinary Medicine professional class size.

Iowa State University requested authorization to reduce its professional class size in Veterinary Medicine to 76 students beginning in the fall of 1988. The current size of the professional class is 120. The university indicated this decision was based on: (1) An evaluation of the resources available; (2) the need for Veterinary Medicine graduates; (3) the appropriate balance between responsibilities and funding; and (4) information obtained from an analysis of comparative data from six selected colleges of Veterinary Medicine.

A cornerstone in the university's decision to request a reduction in its professional class size was a study of the 1986-87 comparative data report of the Association of American Veterinary Medical Colleges. The complete report, entitled "Excellence into the 90's", was not available to the Board Office at the time of docket preparation.

The Board Office felt that a thorough study of the factors relevant to the appropriate size of the enrollments in the college was needed before a decision should be made. Factors such as the need for veterinarians in Iowa and costs as related to benefits require additional Board Office analysis.

ACTION: President Pomerantz stated the Veterinary Medicine Professional Class Size was deferred until next month.

DOUGHERTY DAWKINS LEASE EXTENSION. The Board Office recommended the Board approve a one-year extension of the Dougherty Dawkins master equipment lease agreement under the same restrictions as originally approved by the Board.

In July 1985, the Board authorized the university to enter into a master lease agreement with Dougherty Dawkins Lease Group, Minneapolis, Minnesota, to finance the purchase of selected equipment items. Dougherty Dawkins Lease Group was chosen through a competitive selection process.

The master lease agreement with Dougherty Dawkins extended through June 30, 1987. The university requested permission to extend the master lease agreement through June 30, 1988. Dougherty Dawkins offered to extend the lease under the same provisions as the original agreement.

In consultation with the Board Office and the Board's financial advisor, Springsted, Inc., the university expects to re-bid the master lease agreement sometime within the next few months. The results of that bidding will be presented to the Board for appropriate action. Prior to bidding taking place the opportunities of a cooperative master lease involving all three Regent universities will be examined.

Vice President Madden stated the university's first interest in this master equipment lease agreement was for a computer main frame. He said the agreement has worked out well.

MOTION: Regent Williams moved to approve a one-year extension of the Dougherty Dawkins master equipment lease agreement under the same restrictions as originally approved by the Board. Regent Harris seconded the motion, and it carried unanimously.

SALE OF RECREATIONAL FACILITY REVENUE BONDS SERIES I.S.U. 1987. The Board Office recommended the Board (1) Hold a public hearing on issuance of the \$14,690,000 Recreational Facility Revenue Bonds, Series I.S.U. 1987; (2) Adopt a "Resolution providing for the sale and award of \$14,690,000 Recreational Facility Revenue Bonds, Series I.S.U. 1987, and approving and authorizing the agreement of such sale and award"; and (3) Adopt a "Resolution authorizing and providing for the issuance and securing the payment of \$14,690,000 Recreational Facility Revenue Bonds, Series I.S.U. 1987, for the purpose of financing all or a part of constructing, improving and equipping a combined recreation/athletic facility to be located on the campus of the Iowa State University of Science and Technology and paying the cost of issuing said Bonds."

ACTION: President Pomerantz stated the Board would conduct the bond sale during an electronic meeting at 11:00 a.m. on Thursday, November 12, 1987.

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

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday, November 11, 1987.

REGISTER OF PERSONNEL TRANSACTIONS. The Board Office recommended the Board approve the register for the month of October 1987.

ACTION: President Pomerantz stated the Board approved the Register of Personnel Changes for the month of October 1987 as a consent item.

ACADEMIC CALENDARS 1988 THROUGH 1991. The Board Office recommended the Board approve the proposed revision in the university's 1988-89 academic calendar and approve academic calendars for the summer session 1989, academic year 1989-90, summer session 1990, academic year 1990-91, and summer session 1991.

The university requested approval to revise its previously-approved 1988-89 academic calendar by changing the orientation and registration days from Thursday and Friday, August 18 and 19, to Monday, August 22. In the second semester the registration days would change from Thursday and Friday, January 12 and 13, to Friday, January 13. Each semester would have 75 days of classroom instruction.

The calendars are consistent with previous calendars approved by the Board for the university though they begin approximately one week later in August than had previous calendars.

ACTION: President Pomerantz stated the Board, by general consent, approved the proposed revision in the university's 1988-89 academic calendar and approved academic calendars for the summer session 1989, academic year 1989-90, summer session 1990, academic year 1990-91, and summer session 1991.

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

PROJECT DESCRIPTIONS AND BUDGETS

The university submitted one new project.

Latham Hall Renovations \$3,000,000

Source of Funds: Academic Revenue Bonds 1987

The project will remodel Latham Hall using \$3 million in Academic Building Revenue Bonds authorized in 1987. In September, the Board approved the program statement and the selection of Stenson Warm Grimes Port Architects, Inc., of Waterloo, Iowa.

Latham Hall was built for industrial arts in 1951 and has undergone minimal remodeling since that time. The building was vacated in the fall of 1985 with the opening of the final phase of the Communication Arts Center. The remodeling will enable the university to utilize the 43,800 square foot facility to house the Departments of Earth Science and Home Economics. The departments are currently housed in several locations throughout the campus.

CONSTRUCTION CONTRACTS

Power Plant Replacement--Power Plant No. 1,
Phase II--Demolition \$879,790

Award to: Cleveland Wrecking Company, Cincinnati, Ohio
(4 bids received)

The apparent low bidder, Cuywreco, Inc., of Chicago, Illinois, did not furnish essential unit prices for pipe insulation removal as part of their bid, as required. Further, the bid bond furnished by Cuywreco was by First Indemnity of America, New Jersey, which is not licensed to do business in Iowa. For these reasons, Cuywreco's bid was not responsive to the contract bid specifications.

The lowest responsive bidder, Cleveland Wrecking Company, Cincinnati, Ohio, submitted a bid bond not signed by an Iowa resident agent and Targeted Small Business pre-bid agreements were not fully completed. These irregularities were not sufficient to disallow Cleveland Wrecking Company's bid, and the firm subsequently furnished the required signatures on the bid bond and the Targeted Small Business agreement forms. Receipt of the signatures after opening of the bids does not alter the bid prices or infringe on the integrity of the bids. Therefore, it was recommended that the contract be awarded to Cleveland Wrecking Company, the lowest responsive bidder.

* * * * *

Power Plant Replacement--Power Plant No. 1,
Phase I--Utilities Relocation \$163,138

(Equipment Purchase)
Award to: Pedersen Power Products, Omaha, Nebraska
(8 bids received)

The University of Northern Iowa reported the award of a purchase order for power plant switchgear equipment in the amount of \$163,138. Bids were taken on the equipment and Pedersen Power Products furnished the low bid. The university requested ratification of the award of the purchase order to Pedersen Power Products.

FINAL REPORTS

The university submitted a final report on one completed construction project. The final report on the project was furnished to the Board.

Coal-Fired Boiler Replacement and Auxiliaries \$8,584,742.12

MOTION: Regent Harris moved to approve the capital register. Regent VanGilst seconded the motion, and it carried unanimously.

PROPERTY LEASE - PHYSICAL PLANT STORAGE. The Board Office recommended the Board approve the lease with John McCarter for the university's use of approximately 4,000 square feet of storage space in the warehouse located at 308 Roosevelt Street, Cedar Falls, for a period of approximately one year commencing November 12, 1987, and ending October 31, 1988, at a monthly rental of \$450 including utilities and services.

The physical plant has materials and equipment stored in Power Plant #1, which the university received permission to demolish. There is no additional storage space on the campus for these items; therefore, the university secured this lease for storage of the materials and equipment.

MOTION: Regent Williams moved to approve the lease with John McCarter for the university's use of approximately 4,000 square feet of storage space in the warehouse located at 308 Roosevelt Street, Cedar Falls, for a period of approximately one year commencing November 12, 1987, and ending October 31, 1988, at a monthly rental of \$450. Regent Duchen seconded the motion, and upon the roll being called, the following voted;
AYE: Duchen, Fitzgibbon, Harris, Pomerantz, Tyler, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Greig.

President Curris indicated that two significant developments had occurred at this meeting. He said it was heartening to the University of Northern Iowa that the Board had approved a base equity adjustment of \$1 million. He said the inequity developed partly because the majority of the university's

UNIVERSITY OF NORTHERN IOWA
November 11-12, 1987

enrollments are of in-state students. He expressed appreciation for the support of the Board Office and the Board. The other development President Curris addressed was the request for special salary improvement funds for the University of Northern Iowa in the amount of \$247,000 in order to put its faculty on an equal basis with other Regent university faculty. That was, for them, another significant step forward. He thanked Mr. Richey, Director True, staff and the Board.

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

IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Wednesday, November 11, 1987.

Superintendent Johnson said he was looking forward to the Board meeting in Council Bluffs next month.

REGISTER OF PERSONNEL TRANSACTIONS. The Board Office recommended the Board approve the register for the month of October 1987.

ACTION: President Pomerantz stated the Board approved the Register of Personnel Changes for the month of October 1987 as a consent item.

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

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 Wednesday, November 11, 1987.

RATIFICATION OF ACTIONS REPORTED IN THE REGISTER OF PERSONNEL CHANGES FOR SEPTEMBER 20, 1987, TO OCTOBER 31, 1987. The Board Office recommended the Board approve the register for the period from September 20, 1987, through October 31, 1987.

ACTION: President Pomerantz stated the Board approved the Register of Personnel Changes for the period from September 20, 1987, through October 31, 1987, as a consent item.

DIRECTOR OF ADMINISTRATIVE SERVICES APPOINTMENT. The Board Office recommended the Board approve the appointment of SCOTT R. HAUSER as Director of Administrative Services, effective November 9, 1987, at an annual salary of \$32,000.

At the September 1987 meeting the Board of Regents approved a position description and salary range for this position and in October authorized the executive secretary to approve the selection of a Director of Administrative Services for the institution. The institution's selection process resulted in Mr. Hauser being recommended for the position. The executive secretary approved Mr. Hauser for the position consistent with the authority granted.

MOTION: Regent VanEkeren moved to approve the appointment of SCOTT R. HAUSER as Director of Administrative Services, effective November 9, 1987, at an annual salary of \$32,000. Regent Williams seconded the motion, and it carried unanimously.

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

CHAPTER I CARRYOVER BUDGET. The Board Office recommended the Board approve Chapter I restricted fund carry-over funding in the amount of \$37,477 for use in fiscal year 1988, subject to program approval by the Department of Education.

Federal Chapter I funding has been carried over from fiscal year 1987. Proposed budgets total \$37,477 and support six self-contained projects that do not involve ongoing commitments. The projects include Job Coaching,

IOWA BRAILLE AND SIGHT SAVING SCHOOL
November 11-12, 1987

Infant/Pre-school Workshop, All-Iowa Parent Workshop, Functional Vision Workshop, Precision Teaching Model, and Citizenship Experience.

MOTION: Regent Fitzgibbon moved to approve Chapter I restricted fund carry-over funding in the amount of \$37,477 for use in fiscal year 1988, subject to program approval by the Department of Education. Regent Harris seconded the motion, and it carried unanimously.

ANNUAL REPORT TO THE BOARD OF REGENTS. The Board Office recommended the Board (1) receive the annual report of the Iowa Braille and Sight Saving School for 1986-87; (2) request that the interinstitutional committee study the issue of a training program for teachers of the visually impaired; (3) request that the outreach role of Iowa Braille and Sight Saving School be studied as a part of the priority issue on relations of the two special schools; and (4) approve the proposed goals for 1987-88 and request that specific actions to implement the goals be brought back to the Board for approval as appropriate.

The Board Office congratulated the institution for preparing an excellent and highly informative report regarding the activities of the Iowa Braille and Sight Saving School in 1986-87.

Highlights of the report follow:

- * A total of 302 different visually impaired and blind students were served by the Iowa Braille and Sight Saving School in 1986-87.
- * The major goals for 1987-88 include:
 - a. Evaluate programs and demonstrate public accountability.
 - b. Improve and/or expand programs better to meet student needs
 - c. Improve communication and public information
 - d. Use existing facilities to better meet program needs
 - e. Correct existing deficiencies in facilities
 - f. Reallocate funds within the budget to reflect changing program needs and emphases

Superintendent Thurman addressed the section of the annual report relating to issues and concerns. He said the four areas were 1) concerns of residential schools, 2) shortage of trained personnel in the field, 3) role of the residential school in Iowa, and 4) proposed capital improvements.

Concerns of Residential Schools

Superintendent Thurman stated that since the inception of Public Law 94-142 in the mid-1970s there has been a dramatic decline in residential school

enrollments throughout the United States. He said the legislation calls for an array of services depending upon the need of the child. The individual educational program is to be carried out in the least restrictive environment while also maintaining a free and appropriate public education. The purpose of this law is to ensure that each handicapped child have access to a program in his/her local school provided it is appropriate to his/her needs.

Superintendent Thurman said there are many philosophies regarding special education. The climate in which the residential school operates is tense. Many groups are avowing to close residential facilities and are constantly pushing at the federal level and in some states to this end. He said if residential placement were not an option many children would not receive an appropriate program and would be much poorer for it. The needs of blind students vary, depending on age and developmental levels. He suggested the Board of Regents could be very helpful and supportive by being aware that these forces exist and that political influence may be attempted to close residential schools.

Regent Williams said that rather than looking at the issue from an either/or perspective, residential or within the public school system, it should be address the least restrictive environment. It could be established that sometimes the least restrictive environment is a residential setting, depending on the needs of the child. She commended Superintendent Thurman for the processes he has initiated.

Regent VanGilst stressed that in his monitoring of this legislation, Superintendent Thurman keep the Board Office informed so the Board may react, also. He said that together they could better improve the situation.

Regent Fitzgibbon suggested someone address that issue for the Board to discuss next month.

Regent Williams noted that the institutional goals and objectives for this year very well stated. She was pleased that they were performance oriented.

Shortage of Trained Personnel in the Field

Superintendent Thurman noted it is estimated that between 250 and 300 positions are vacant on any given day, and that 40 percent of all positions are empty or filled by inadequately-trained people. At the Iowa Braille and Sight Saving School there has been difficulty in filling several key positions. He said that even though he had no firm proposal at this point, he wished to enter into discussion with the Regent universities, along with the Iowa Department of Education, to talk about this issue and do some in-depth analysis of the problem. Once a proposal is developed it will be brought to the Board for consideration. His desire was to emphasize training in the residential setting. Training would begin with an orientation to the residential program with hands-on experience at the institution, and then

more formal training through a university. He hoped to bring a proposal to the Board in the spring.

Superintendent Thurman stated there is no special education teacher training in the state of Iowa. Federal funding is a key to teacher training in this field which, in itself, is increasing the shortage and need for training.

Regent Harris asked for the cost of educating a teacher. Superintendent Thurman replied that at Boston College a single three-hour course costs \$500. He added that he has been asked to serve on a national task force in March regarding teacher training.

Role of the Residential School in Iowa

Superintendent Thurman stated they have already begun work on the future role of the school through the organizational audit effort and an inter-agency comparative study. He said residential schools in Iowa provide programs for academically-able blind students as well as for multi-handicapped students. It is a support to public schools and serves as an information and demonstration center to all other interested parties. He suggested the Board consider a priority to initiate a working group on future services of Iowa Braille and Sight Saving School which might include representatives from all appropriate agencies.

Proposed Capital Improvements

Superintendent Thurman addressed the Iowa Braille and Sight Saving School capital needs over the next year or two. He said most improvements are minor and could probably be handled through reallocation. Two are potentially higher cost and may require funding over and above reallocation. One is new roofing on Old Main and the superintendent's residence and the other is the replacement of the gym floor in the Recreation Building.

President Pomerantz thanked Superintendent Thurman for an excellent report.

MOTION:

Regent Harris moved to (1) receive the annual report of the Iowa Braille and Sight Saving School for 1986-87; (2) request that the interinstitutional committee study the issue of a training program for teachers of the visually impaired; (3) request that the outreach role of Iowa Braille and Sight Saving School be studied as a part of the priority issue on relations of the two special schools; and (4) approve the proposed goals for 1987-88 and request that specific actions to implement the goals be brought back to the Board for approval as

appropriate. Regent Williams seconded the motion, and it carried unanimously.

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.

EXECUTIVE SESSION. President Pomerantz requested the Board enter into closed session pursuant to the Code of Iowa section 21.5(1)(i) to discuss an employee's performance and that employee has requested the Board meet in closed session.

MOTION:

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

The Board having voted at least two-thirds majority resolved to meet in executive session beginning at 4:00 p.m. on November 11, 1987, and arose therefrom at 5:20 p.m. on that same date.

RECESS. President Pomerantz stated the Board would reconvene the following morning in open session at 11:00 a.m. The meeting would be conducted as an electronic session for the purpose of conducting a public hearing on recreational facility revenue bonds for Iowa State University. At the conclusion of the public hearing the Board would proceed to sell the bonds, if that was deemed appropriate following the hearing. Access to the electronic meeting was available at all five Regent institutions and the Board's staff office.

The meeting of the State Board of Regents recessed at 4:00 p.m., on Wednesday, November 11, 1987.

C O R R E C T E D

IOWA STATE UNIVERSITY

The State Board of Regents reconvened electronically on Thursday, November 12, 1987, commencing at 11:10 a.m., in accordance with Section 21.8 of the Code of Iowa. The meeting was not reconvened in person because it was not possible to have the Regents assemble in one location for this brief ending to the meeting. Each Regent in attendance was at a separate location. Public access was provided at the following locations:

Regents Board Office, Des Moines
Old Public Library, Main Conference Room, University of Iowa, Iowa City
President's Office, Beardshear Hall, Iowa State University, Ames
Board Room, Gilchrist Hall, University of Northern Iowa, Cedar Falls
Administrative Offices, Iowa School for the Deaf, Council Bluffs
Administrative Offices, Iowa Braille and Sight Saving School, Vinton

The following business pertaining to Iowa State University was transacted.

SALE OF RECREATIONAL FACILITY REVENUE BONDS SERIES I.S.U. 1987. The Board Office recommended the Board (1) Hold a public hearing on issuance of the \$14,690,000 Recreational Facility Revenue Bonds, Series I.S.U. 1987; (2) Adopt a "Resolution providing for the sale and award of \$14,690,000 Recreational Facility Revenue Bonds, Series I.S.U. 1987, and approving and authorizing the agreement of such sale and award"; and (3) Adopt a "Resolution authorizing and providing for the issuance and securing the payment of \$14,690,000 Recreational Facility Revenue Bonds, Series I.S.U. 1987, for the purpose of financing all or a part of constructing, improving and equipping a combined recreation/athletic facility to be located on the campus of the Iowa State University of Science and Technology and paying the cost of issuing said Bonds."

President Pomerantz stated this is the date, time and place set by the Board to institute proceedings and take action for the issuance of Recreational Facility Revenue Bonds, Series I.S.U. 1987, in the principal amount of \$14,690,000, for the purpose of defraying the cost of constructing and equipping a recreational facility on the campus of Iowa State University. The Notice of Meeting for issuance of said bonds was published in the Des Moines Register on November 2, 1987.

President Pomerantz asked Mr. Richey whether anyone had filed a petition, protest, appeal or objection of any kind on this bond issue prior to this meeting, in the office of the Executive Secretary, for presentation to the Board of Regents. Mr. Richey responded that none had been filed.

President Pomerantz declared the public hearing closed and directed the Board to proceed with the sale of the bonds.

President Pomerantz asked Luther Anderson, Springsted, Inc., to read the bids which Mr. Richey opened at 10:00 a.m., to publicly announce the best bid and to make a recommendation to the Board on acceptance.

Mr. Anderson stated three bids had been received for the bond issue, as follows:

Citicorp Investment Bank with interest rates ranging from 7.0 percent to 8.5 percent for a total interest cost of \$17,444,265.00, resulting in a net effective rate of 7.8085 percent.

John Nuveen & Co., Inc., with interest rates ranging from 5.5 percent to 7.5 percent for a total interest cost of \$16,387,553.96, resulting in a net effective rate of 7.3355 percent.

Merrill Lynch Capital Markets with interest rates ranging from 6.15 percent to 7.25 percent for a total interest cost of \$15,965,845.25, resulting in a net effective rate of 7.1467 percent.

Regent Fitzgibbon asked why there was such a difference in the rates. Mr. Anderson replied that Citicorp was attempting to structure its bid to get additional profit in the early years. He said no doubt they would resale those bonds to the public at rates lower in the early years.

Mr. Anderson stated the Merrill Lynch bid was a very aggressive rate considering the current bond market conditions. Since September, when the Board last sold bonds, the interest rates have gone up dramatically and come down equally dramatically. The bond buyer index is actually slightly lower than it was in September. He said the rate for the bonds sold in September was 7.27 percent. He felt the Merrill Lynch bid was a very attractive and competitive offer, and recommended acceptance of the bid.

MOTION:

Regent Duchen moved to adopt a "Resolution providing for the sale and award of \$14,690,000 Recreational Facility Revenue Bonds, Series I.S.U. 1987, and approving and authorizing the agreement of such sale and award." Regent Williams seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: Greig.

MOTION:

Regent VanEkeren moved to adopt a "Resolution authorizing and providing for the issuance and securing the payment of \$14,690,000 Recreational Facility Revenue Bonds, Series I.S.U. 1987, for the purpose of financing all or a part of constructing, improving and equipping a combined recreation/athletic facility to be located on the campus of the Iowa State University of Science and Technology and paying the cost of issuing said Bonds." Regent VanGilst seconded the motion, and upon the roll being called, the following voted:
AYE: Duchen, Fitzgibbon, Harris, Pomerantz, Tyler, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Greig.

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

Regent VanGilst asked why the amount to be received from the sale was less than \$14,690,000. Mr. Anderson responded that unlike the academic building revenue bonds the statutes that authorize self-liquidating revenue bonds permit discount bids of as much as 2 percent. Springsted, Inc., felt that the ability to bid a discount makes the bonds much more attractive to the underwriters. The bid permitted as much as a 1.8 percent discount. This operates to lower the net interest cost and the net effective rate.

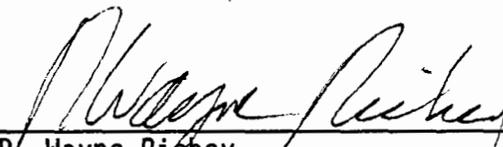
Mr. Richey stated there can be some lowering of the student fee pledged for this facility as a result of lower than estimated bond rates, which will free that money for the general university operating budget.

ADJOURNMENT.

MOTION:

Regent Williams moved to adjourn. Regent VanGilst seconded the motion, and it carried unanimously.

The meeting of the State Board of Regents adjourned at 11:25 a.m. on Thursday, November 12, 1987.



R. Wayne Richey
Executive Secretary