The State Board of Regents met on Wednesday, November 14, 1990, at Iowa School for the Deaf, Council Bluffs, Iowa. The following were in attendance:

	November 14
Members of State Board of Regents	
Mr. Pomerantz, President	All sessions
Mr. Berenstein	All sessions
Mr. Fitzgibbon	All sessions
Ms. Furgerson	All sessions
Mr. Greig	All sessions
Ms. Hatch	All sessions
Mr. Tyler	All sessions
Ms. Westenfield	All sessions
Mrs. Williams	All sessions
Office of the State Board of Regents	
Executive Director Richey	All sessions
Deputy Executive Director Barak	All sessions
Director Gerry	All sessions
Director Gilchrist	All sessions
Associate Director Hollins	All sessions
Minutes Secretary Briggle	All sessions
State University of Iowa	
President Rawlings	All sessions
Vice President Nathan	All sessions
Vice President Phillips	All sessions
Treasurer True	All sessions
Acting Director Rhodes	All sessions
Iowa State University	
Interim President Glick	All sessions
Vice Provost Swan	All sessions
Vice President Madden	All sessions
Director Jensen	All sessions
Assistant to President Bradley	All sessions
Assistant Vice President Pickett	All sessions
University of Northern Iowa	
President Curris	All sessions
Provost Marlin	All sessions
Vice President Conner	All sessions
Vice President Follon	All sessions
Executive Ass't. to President Stinchfield	All sessions
Assistant to President Geadelmann	All sessions
Director Chilcott	All sessions
Iowa School for the Deaf	
Superintendent Johnson	All sessions
Assistant Superintendent Balk	All sessions
Business Manager Nelson	All sessions
Interpreter Cool	All sessions
Interpreter Cool	All sessions
Iowa Braille and Sight Saving School	
Superintendent Thurman	All sessions
Director Hauser	All sessions
Coordinator Utsinger	All sessions

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday, November 14, 1990.

APPROVAL OF MINUTES OF BOARD MEETING, OCTOBER 17, 1990. The Board Office recommended the Board approve the Minutes, as mailed.

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

ACTION: President Pomerantz stated the Board approved the Minutes of the October 17, 1990, meeting, by general consent.

CONSENT ITEMS. Regent Fitzgibbon referred to the Next Meetings Schedule which indicated a meeting was scheduled for July 1992, and said that was a long time away. Mr. Richey responded that the Next Meetings Schedule is normally projected that far in advance. President Pomerantz noted that the schedule was certainly subject to change.

Regent Williams moved, seconded by Regent Furgerson, to approve the consent docket, as follows:

MOTION: Receive the Next Meetings Schedule; refer the Iowa State University post-audit reports for the undergraduate minor in Gerontology and the B.S. degree in Agricultural Microbiology to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation; refer the Iowa State University approval of a new department, the change in the name of two departments, the creation of a separate department, and the elimination of a department to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation; refer the Iowa State University discontinuation of a Ph.D. program, a B.S.

degree program, a Master of Engineering program, the reorganization of graduate programs in Civil and Construction Engineering, the suspension of a major, and the name change of the curriculum in a given field to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation; and refer the Iowa State University proposed undergraduate major in advertising to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

FALL ENROLLMENT REPORT - PART II. The Board Office recommended the Board defer receipt of this information until the December 1990 meeting.

ACTION: President Pomerantz stated the Board deferred receipt of this information until the December 1990 meeting, by general consent.

IOWA COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION. The Board Office recommended the Board receive the report.

The Iowa Coordinating Council for Post-High School Education met in Cedar Rapids on Wednesday, November 7. The agenda for the meeting included a discussion of legislative issues including budgets for education, tuition, quality and outcomes issues, minorities, developmental education, telecommunications, and coordination and governance. The council also discussed legislative reports by the sectors.

A report on the American Council on Education state association initiative was provided by Regent Williams. The council also considered a new program request from the American Institution of Commerce. The meeting was concluded by a demonstration of the telecommunications capability of Kirkwood Community College.

Regent Williams stated the November Coordinating Council meeting was held in conjunction with the Way Up Conference. She said the community colleges presented the longest, most detailed lists of legislative issues. She found that when the Coordinating Council members discussed the legislative issues, they agreed on so much more than they disagreed on.

During the two days following the Coordinating Council meeting Regent Williams attended the Way Up Conference. She said it was a very stimulating meeting. The Way Up Conferences are an opportunity for women all over the state of Iowa to share ideas and concerns on their way up into higher education administration.

Regent Furgerson, who also attended the Way Up Conference, said the keynote speaker really set the conference off on the right tone. The coming work force will include all minority groups, not just women.

Regent Williams encouraged other Regents to attend the Way Up Conference when they can. She felt this was especially important as faculty becomes more diversified. They should keep an eye on the pool of candidates that attend the conference.

Regent Furgerson stressed that the conference is not just for women. Men need to attend and listen to the different perceptions. The conference theme was achieving distinction. She said it has become a very important meeting for the people involved and for the state of Iowa.

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

ADDENDUM TO STRATEGIC PLAN FOR OFF-CAMPUS EDUCATION. The Board Office recommended the Board approve the addendum to the Strategic Plan for Off-Campus Credit Programming.

Concerns have been raised about the potentially negative impact of Regent expansion of off-campus credit programming on area community colleges and independent institutions in the delivery of their programs.

It was proposed that an addendum be added to the Strategic Plan for Off-Campus Credit Programming which reflects a consultative, cooperative relationship between the Regent universities and other sectors of postsecondary education in developing, coordinating and delivering off-campus credit programs.

The addendum proposed recognizes that the Regent universities are one of several providers of higher educational services and that their actions can affect the vitality of other providers of postsecondary educational services. The addendum reflects the Board of Regents' desire to reduce any unnecessary negative effect on other sectors of postsecondary education.

The policy offered in the addendum is supported by the "Policy on Review of New Programs and Program Locations" developed by the Coordinating Council for Post-High School Education and adopted by the Board of Regents.

The proposed policy reflects the Board's traditional policy on voluntary coordination and cooperation with other sectors of education. The adoption of a voluntary policy will eliminate the need for mandated coordination by a statewide board or council.

Mr. Richey said the Board Office has received concerns from several members of the independent sector. He said that even after full consultation and

exchange of information, there will be times when agreement with a given sector concerning a proposed offering in a particular area may not be possible. However, they will need to do that occasionally for various reasons.

Regent Tyler referred to the effort of Interim President Glick in chairing a committee whose purpose is coordination of the three Regent universities regarding off-campus programs. He said he could understand that there may be some conflicts with the independent institutions but surely there could be some kind of coordination with the community colleges which are also state supported. He did not believe the State of Iowa can afford to have publicly-supported institutions competing with each other.

Mr. Richey said the proposed addendum to the Strategic Plan for Off-Campus Education encourages the kind of cooperation referred to by Regent Tyler.

Regent Fitzgibbon said he felt they should keep in mind that there will always be competition. The key is coordination and cooperation. Regent Williams said she agreed with Regent Fitzgibbon and would like to share this document with the Coordinating Council.

President Pomerantz stated that while there will be competition with the private colleges and some with the area schools, there are still many areas for cooperation. They need to define areas of cooperation.

President Pomerantz emphasized that if they do not accomplish this voluntarily, the educational sectors will have some outside help getting it done.

President Curris expressed concern about the following wording:

> The policy of the Board of Regents in regard to off-campus education is to employ all available mechanisms to reduce the negative effect of Regental expansion on other sectors by exploring cooperative arrangements, joint offerings, shared resources or other creative strategies.

He asked if "exploring cooperative arrangements" and "shared resources" could be interpreted to presume that if the universities will be offering coursework which could adversely impact another institution's offering of similar coursework, whether the Regent universities have any obligation to employ faculty of those institutions.

President Pomerantz said there would be no obligation if the local faculty does not meet the quality standard of the Regent institutions.

MO

ACTION: Regent Williams moved to approve the addendum to the Strategic Plan for Off-Campus Credit

Programming. Regent Furgerson seconded the motion, and it carried unanimously.

LEGISLATIVE REPORT. The Board Office recommended the Board (1) receive information on the legislative visitation to Iowa State University; (2) receive information that the Board of Regents budget presentation to the Governor has been scheduled for December 6, 1990, from 1:30 to 3:30 p.m.; and (3) receive information on progress of preparing a legislative program for the 1991 legislative session.

The Legislative Visitation Committee visited the campus of Iowa State University on October 30, 1990. During its meeting, the Legislative Visitation Committee was presented information on:

- Athletics Department for Iowa State University and the University of Iowa;
- An overview of Iowa State University Strategic Plan and Agenda--Accomplishments and Challenges;
- A presentation on reaching and teaching tomorrow's students;
- A presentation on program for women in science and engineering;
- A presentation on research technology development and transfer; and
- A presentation on the focus on Iowa, service and cooperative enterprises.

Regent Fitzgibbon and Executive Director Richey were in attendance at the Iowa State University visitation during the day. On the evening of October 30, Iowa State University held a dinner for the Legislative Visitation Committee. Regents Fitzgibbon, Furgerson, Greig, and Williams and Mr. Richey attended the dinner.

The Board of Regents budget presentation to the Governor has been set for December 6, 1990, from 1:30 to 3:30 p.m.

The Board Office, in conjunction with administrative staff at the institutions, has moved forward in developing the legislative program for the 1991 legislative session. The final report will be developed for presentation to the Board at the December Board meeting. The legislative liaisons will be available to receive comments and issues that the Board of Regents would like incorporated into the final legislative program.

Mr. Richey said it was his observation that all three Regent universities' legislative campus visits were excellent meetings. There was at least one Regent in attendance at every meeting. Several Regents were present for the

meeting with the committee on October 30. He noted that the election has been held and the election of legislative officers is proceeding; therefore, there will be some additional issues to study and reflect upon. With regard to the Governor's budget hearing scheduled for December 6, he said all Regents are invited to attend.

Regent Furgerson stated that she would not be able to attend the Governor's budget hearing.

ACTION: President Pomerantz stated the Board, by general consent, (1) received information on the legislative visitation to Iowa State University; (2) received information that the Board of Regents budget presentation to the Governor has been scheduled for December 6, 1990, from 1:30 to 3:30 p.m.; and (3) received information on progress of preparing the legislative program for the 1991 legislative session.

PROPOSED POLICY GUIDELINES FOR FUTURE TUITION RATES. The Board Office recommended that the Board approve the following policy regarding tuition at the Regent universities:

> Resident undergraduate tuition at the Regent universities shall be set annually and will not increase at a rate higher than the change in the Higher Education Price Index as most recently published by Research Associates of Washington. The Board of Regents reserves the right to adjust tuition at a rate different than the change in the Higher Education Price Index when state funding for any of the Regent universities is insufficient to finance university programs at a level that maintains their quality and effectiveness.

This policy was recommended as the response to subsection 23 of Senate File 2410. Subsection 23 of Senate File 2410 directed the Board of Regents to "Develop policy and adopt rules relating to the establishment of tuition rates that provide a predictable basis for assessing and anticipating changes in tuition rates."

Using the Higher Education Price Index as the normal ceiling for tuition increases would make changes in tuition more predictable, as specified in Senate File 2410.

It is very important that the Board retain some flexibility in setting tuition rates, due to the complexity of the issues related to tuition and the unpredictability of other factors involved in financing the Regent universities, such as:

(1) The possibility of insufficient state funding of the universities;

(2) The need to maintain student access to higher education at the Regent universities;

(3) The need to maintain the quality and effectiveness of the institutions;

(4) The possibility of change in state and federal student financial aid programs.

The recommended policy has the needed flexibility because it sets the Higher Education Price Index as a ceiling for tuition increases, rather than requiring that tuition be rigidly tied to the Index, and allows tuition increases different than the changes in the Higher Education Price Index under certain circumstances.

The recommended policy applies only to resident undergraduate tuition, which is the rate charged the majority of students.

The "Principles and Guidelines for Establishing Tuition Rates at Regent Universities," which the Board has been using since 1974 as a guide to setting tuition, does not appear to meet the requirements of Senate File 2410 but the general factors contained in this policy will continue to be monitored.

The Higher Education Price Index is the higher education equivalent of the Consumer Price Index and tracks changes in the cost of conducting the business of higher education.

With 1970-71 as the base year the Higher Education Price Index would have resulted in tuition rates higher by 21 percent than the actual Regent tuition if it had been used to set tuition rates for 1991-92 ($1,952 vs. $2,358).

The Higher Education Price Index is dominated by the salaries paid to higher education personnel because higher education is such a labor intensive industry. The Higher Education Price Index is a more accurate and reliable tracker of the increases in cost of education at the Regent universities than either the Consumer Price Index or the Gross National Product Implicit Price Deflator but is always two years old in terms of the period covered.

If other factors in the tuition equation, such as state funding and student share of educational costs, remain constant using the Higher Education Price Index as a ceiling on tuition increases should prove reliable and effective. Because other factors may not remain constant, the Board needs to have the flexibility of being able to raise tuition at a higher rate than the change in the Higher Education Price Index to meet current needs.

Regent Tyler referred to the portion of the proposed policy which stated "... adjust tuition at a rate different than the change in the Higher Education

Price Index when state funding for any of the Regent universities ..." He said the state funding limitation caused him concern. He asked to strike the word "state".

Regent Williams expressed concern about striking the word "state". She said that by including the word "state" the Regents would send a message to the legislature and the Governor that unless the Regents receive sufficient funding for the state universities they will have to find other sources of revenue.

MOTION: Regent Fitzgibbon moved to adopt the recommended policy as revised by striking the word "state". Regent Tyler seconded the motion.

Ben Stone, Executive Director of United Students of Iowa, stated that as the statewide student advocacy body, United Students of Iowa was pleased the Board of Regents was taking action to make tuition increases more predictable. He said that while they support the concept of tuition guidelines, the proposed policy was vague. It did not include a definition or a specific formula to determine what is insufficient state funding. He felt it was a poor method of providing predictability. The adoption of the policy would enable the Board to rationalize excessive tuition increases. The question of whether to increase tuition would not be considered. He urged adoption of a more meaningful, effective policy. He said the Board must decide whether its priority is on flexibility, affordability, quality or fairness.

Regent Williams said she did not believe the purpose of the policy was to allow for flexibility. It was a matter of maintaining quality.

President Pomerantz said there was no formula that could substitute for this Board and the successor Board given all the unknowns. The fact is the legislature established a law for the State of Iowa and the Regents intend to comply. However, he said no system can contemplate everything. This Board should be setting tuition, not the law and not some artificially-imposed structure. In the end the students have to have the confidence in the Board to do the right thing.

Mr. Stone said his point was to establish a predictable sense of tuition increases.

President Pomerantz stated that all the universities in Russia are tuition free but that does not mean the quality of education is high. He said he did not think the people of Iowa bought the notion of "free" tuition.

VOTE ON THE MOTION: The motion carried unanimously.

STUDENT FEES AND MISCELLANEOUS CHARGES. The Board Office recommended the Board (1) receive the universities' and Board Office recommendations for proposed 1991-92 student health services fee; (2) receive the universities' proposed 1991-92 miscellaneous fees and charges schedules; and (3) final action on the universities' proposals will occur during the December Board meeting.

Several types of fees are charged by Regent universities. These include health services fees, miscellaneous fees, laboratory course charges, and fees included as part of tuition ("designated tuition" or "activities fees").

The Board Office recommended an increase of $10 per semester in the mandatory student health fee at each university. The recommended increase of $10 per semester will continue the phase-in of a four-year program adopted by the Board in October 1989. This will be the second year of this four-year phase-in effort.

The goals of the program are to provide basic health services equitably to all students and to put the student health services on a financially sound basis.

The current $10 per semester mandatory student health fee is estimated to yield approximately $1.2 million in fiscal year 1991 for all three universities. Benefits accruing from the fee in the current year included:

* a reduction from $27 to $20 in the students' voluntary health fee and stabilization of the amount of General Fund subsidy required to maintain a high quality student health service at Iowa State University;

* a significant decrease in the amount of General Fund subsidy required to provide basic student health services at the University of Iowa--from $1,277,402 in 1990 to $965,976 in 1991; and

* the addition of one health educator and increased funding for health education and promotion at the University of Northern Iowa. The General Fund subsidy required will decline from $336,843 to $250,000.

Funds from the current $10 per semester mandatory fee have enabled the University of Iowa to extend clinic hours in 1990 and to continue to provide high-quality student health care. The mandatory health fee of $10/semester at Iowa State University has allowed reduction of the Health Plus fee from $27/semester to $20/semester in 1991. At the University of Northern Iowa, revenue from the mandatory student health fee has provided for the addition of one health educator and support for health education and promotion.

The recommended increase to $20 per semester mandatory health fee in fiscal year 1992 is estimated to yield $2.4 million. The benefits of the increased fee include:

* A reduction from $20 to $10 in the voluntary health fee at Iowa State University.

* A decrease of $255,000 in General Fund subsidy required at the University of Iowa.

* Stabilization of the General Fund subsidy at the University of Northern Iowa at $250,000.

* Assumption by the University of Northern Iowa of the cost of staffing the substance abuse program now funded by a two-year grant.

The institutions plan to retain some General Fund support for Student Health Services to offset the costs of services that benefit the entire university community, such as drug and alcohol education, measles immunization, etc.

The Board will vote on the recommended increase of $10 per semester in the mandatory student health fee in December.

Miscellaneous fees are charged for specific services and materials used by students during the course of instruction.

Iowa State University proposed to replace the current patchwork of inconsistent computer fees with a uniform fee structure of $100 for students enrolled in the Colleges of Engineering and Computer Science and $40.00 for all other students. The proposed university-wide computer fee has been discussed with the leadership of the Government of the Student Body and the Graduate Student Senate and will be presented to the Government of the Student Body for vote in early November.

Iowa State University no longer allows payment of tuition and fees by credit card and is considering a new "acceleration of fees" policy regarding payment of tuition and fees in three installments. If any installment is late the entire obligation becomes due.

The University of Iowa's proposed fees reflect the same percentage tuition increases as previously approved by the Board. The University of Northern Iowa proposed to increase fees for freshman orientation services, writing competency examination and private music lesson fees.

Mr. Richey said the student organizations have been notified about the fees and miscellaneous charges. With regard to the $10/semester increase in student health fees, he said the increase was in line with the 4-year program approved by the Board of Regents last year. The proposed computer fees at Iowa State University were recommended for approval pending favorable student reaction.

Regent Williams said it was important to note with regard to the student health fee that a committee of the Board of Regents reviewed this matter extensively including visitations to each of the three Regent universities' campuses. The Regents were giving notice that this was the second year of the 4-year program. There will be 2 more years.

President Pomerantz recognized Ron Woodall, University of Northern Iowa.

Mr. Woodall thanked the Regents for the opportunity to speak. He stated that last year David Boyer expressed concern for implementing the mandatory student health fees. He compared it to a runaway train. He believed that students are now faced with the same train Mr. Boyer referred to last year. As feared, students are being asked to absorb additional fees. He expressed concern for the practice of divorcing tuition and fees consideration. The actual cost of college considers tuition and fees together. Students prefer that fees consideration be included in the tuition issue. He noted that state appropriations were previously earmarked for student health costs on the Regent campuses.

With regard to the policy for establishing guidelines for predictable tuition rates, Mr. Woodall expressed concern that if care is not taken, there will no longer be a question of whether or not to increase tuition, but rather how high the tuition increases will be. He said the possibility was alarming.

Regent Westenfield referred to the statement that Iowa State University proposed to replace the current patchwork of inconsistent computer fees with a uniform fee structure of $100 for students enrolled in the Colleges of Engineering and Computer Science and $40.00 for all other students. She said that statement suggests the structure now is an administrative nightmare. She asked if there was an assumption that all students use the computers.

Vice President Madden said the engineering student today is paying $100/semester. University officials can impose up to a $30/course fee for courses that use computing. There is currently a cap on that fee. The proposal is to go to a uniform mandatory fee for all students. He said that in the intervening years since imposing the computer fee on engineering students, computing has continued to expand on the campus. He said the computer fee has been working very well in the College of Engineering. In other colleges students need to have access to computers. Student government leaders have been discussing the proposed university-wide computing fee. Iowa State University officials do not intend to make a final recommendation to impose such a fee if the student government leaders are not supportive.

Regent Hatch asked if student government leaders are not supportive of the computing fee for all students, whether university officials will stay with the $100/semester computing fee in the College of Engineering and $40/semester for all other students enrolled in courses requiring computer science.

Vice President Madden stated that university officials have indicated that for the coming year they will not recommend a computing fee for all students if it is not supported by the students. He noted that computer fees for some are less than $30. In no case will it cost a student more than $60 for computing fees for 2 courses.

Regent Westenfield asked if university officials have considered other alternatives. Vice President Madden responded that university officials have considered other alternatives and felt that the one before the Regents was the most fair for the entire university. University officials believe computing needs to be integrated into the entire university.

Vice Provost Swan stated that some faculty are deciding not to incorporate the use of computer in their courses if a $30 fee is tacked on. Many of those faculty should include the computing feature in their courses. She said there were educational concerns to consider in this issue.

ACTION: President Pomerantz stated the Board, by general consent, (1) received the universities' and Board Office recommendations for proposed 1991-92 student health services fee; (2) received the universities' proposed 1991-92 miscellaneous fees and charges schedules; and (3) would take final action on the universities' proposals will occur during the December Board meeting.

PART-TIME TUITION RATES. The Board Office recommended the Board approve the universities' proposed part-time tuition rates, as presented, to be effective summer 1991.

The proposed part-time tuition rates are based on the increases in full-time tuition approved by the Board last month of 3.8 percent for resident undergraduates and 4 percent for all other categories.

The three universities' proposed 1991-92 part-time tuition rates are consistent with Board policy that requires the same tuition for both resident and non-resident students for zero to two credit hours in each program, with higher but identical rates for resident and nonresident students for the third and fourth credit hours. Thereafter, per hour rates are increased on a pro-rata basis until the full-time rate of tuition is reached.

Since the full-time rates have been approved by the Board, the conversion of those rates to part-time tuitions does not require a thirty-day notice and waiting period.

MOTION: Regent Berenstein moved to approve the universities' proposed part-time tuition rates, as presented, to be effective summer 1991. Regent Furgerson seconded the motion, and it carried unanimously.

REVISION IN PROCEDURES FOR APPOINTMENT OF DEANS, ASSOCIATE VICE-PRESIDENTS AND ASSOCIATE DIRECTORS. The Board Office recommended that the Board approve revisions in procedures for the appointment of:

a. deans, associate and assistant vice-presidents and associate directors of major units as shown in the Board of Regents Procedural Guide, Section 4.05, and

b. student employees as shown in the Board of Regents Procedural Guide, Section 4.06.

Prior to October 1989 the Board was required prospectively to make all appointments of deans, associate vice-presidents and most directors. In October 1989 Section 4.05 of the Procedural Guide was changed to limit the number of positions for which the Board makes the actual appointment.

The change mandated that the Board be advised of the progress of searches for deans, associate vice-presidents, assistant vice-presidents and associate directors. The proposed revisions specifically require that before the appointment of associate and assistant vice-presidents, deans and associate directors of major units the Board be provided the following information:

1. notification of an impending vacancy in the position as soon as it is known;

2. plans for conducting a search;

3. periodic progress reports on the search;

4. the names and summary vitae of finalists to be invited for an interview;

5. the name and a complete vita of the person the institution intends to appoint at least one week before the appointment is made.

6. Board members having concerns or comments about the proposed appointment of a person should notify the President of the Board or, in the absence of the President, the Executive Director. Board members and the head of the institutions involved will be notified of the comments or concerns by the President of the Board or Executive Director, and arrangements will be made for appropriate consultation.

The appointments of associate and assistant vice-presidents, deans and associate directors of major administrative units would be reported in a separate section of the institutional personnel register at the time of actual appointment rather than when the individual is entered on the payroll.

Section 4.06 of the Procedural Guide mandates that the Board receive a list of all personnel changes made in the preceding months in order to ratify decisions made. This monthly list contains the names of thousands of student employees, which is burdensome on the institutions and the Board. The proposed revision to Section 4.06 of the Procedural Guide would remove the requirement to report monthly on the appointment of student employees. Institutions would continue to report the appointment of graduate research and teaching assistants.

The procedures outlined above are not intended to change current policies and practices with respect to communication between members of the Board and institutional heads prior to the notice of the intent to appoint a finalist to the position.

Mr. Richey said the Board Office consulted with the Regents as well as the university presidents in making this recommendation.

Regent Hatch expressed concern about the wording "to be" in the recommendation: "the names and summary vitae of finalists to be invited for an interview". She felt it suggested the information would be provided to the Board prior to the invitations being submitted. She asked when the Regents would be provided with the summary vitae and the names of the finalists.

Regent Tyler said he was concerned that the universities would release the names of the appointees prior to the Board having any knowledge. He then referred to the wording in the recommendation: "the name and a complete vita of the person the institution intends to appoint at least one week before the appointment is made" and said he much preferred 2 weeks notice instead of one week.

President Pomerantz said a fundamental philosophy was at issue here -- who selects deans and other high-ranking university personnel. On the other hand, the Regents feel entitled to know about an appointment prior to reading of it in the newspaper.

The Regents discussed possible alternative language. President Pomerantz suggested "simultaneous with the invitation to interview" or "at the time the individuals are invited to campus for an interview".

President Rawlings said he would be more comfortable with that language than other language proposed.

MOTION: Regent Fitzgibbon moved to approve the policy as revised by changing the wording to "at the time the individuals are invited to campus for an interview". Regent Berenstein seconded the motion, and it carried unanimously.

BOARD OFFICE PERSONNEL TRANSACTIONS. The Board Office recommended the Board approve the Board Office Register of Personnel Transactions, as follows:

Appointment of CHLOIE RODISH, Secretary I, part-time 18 hours per week effective October 30, 1990, at a salary of $8.38 per hour plus mandated benefits; and

Resignation of LISA BROWN, Clerk I, effective November 21, 1990.

MOTION: Regent Williams moved to approve the Board Office Register of Personnel Transactions, as presented. Regent Furgerson seconded the motion, and it carried unanimously.

ANNUAL GOVERNANCE REPORT ON INSURANCE AND RETIREMENT PROGRAMS FOR EMPLOYEES. The Board Office recommended the Board receive the annual governance report of insurance and retirement programs for fiscal year 1990.

Costs of insurance and retirement programs at the three universities ranged from 23.07 percent to 24.56 percent of nonstudent payroll for fiscal year 1990. These figures have stayed relatively constant over the years and are similar to percentages at comparable institutions.

Costs of insurance and retirement programs were 22.9 percent of payroll at the Iowa School for the Deaf and 23.5 percent at the Iowa Braille and Sight Saving School for fiscal year 1990.

Board Office costs for insurance and retirement programs for the fiscal year were 14.1 percent of payroll.

Total cost of insurance and retirement programs at the five Regent institutions and the Board Office were $161 million for fiscal year 1990. This is an increase of 15 percent over the preceding fiscal year.

Annually Ohio State University publishes a comparison of benefit programs in the Big Ten and other similar institutions. Based on this survey Regent institutions continue to offer comparable and, in some instances, better benefit packages than comparable institutions.

The universities experienced a 9 percent to 25 percent increase in health insurance premiums beginning August 1, 1990.

Director Gerry stated that total costs for the last year were $161 million, an increase of 15 percent over the preceding year.

Regent Tyler asked about his request at the last Board meeting for information regarding early and phased retirement programs. Mr. Richey said the Board Office expects to present that information in tDecember.

ACTION: President Pomerantz stated the Board received the annual governance report of insurance and retirement programs for fiscal year 1990 by general consent.

REPORT ON POLICY ON CONFLICT OF INTEREST. The Board Office recommended that the Board adopt rules concerning Prohibited Interests in Public Contracts, as presented.

In prior years Section 68B.4 of the Iowa Code prohibited any official or employee of a regulatory agency from selling, directly or indirectly, goods or services to individuals, associations or corporations regulated by the agency of which the individual is an official or employee. In the past legislative session, House File 2057 was enacted and signed into law by the Governor. This act amended Section 68B.4 to allow for some exceptions to the prohibition against sales if certain conditions are met. One condition is that the Board give its consent prior to any such sale.

House File 2057 mandates all regulatory agencies adopt rules implementing the changes allowed by the statute. Pursuant to Section 68 of the Iowa Code, the Board of Regents is deemed a regulatory agency.

The proposed rules were reviewed by staff of the office of the Attorney General and university officials who concurred that they are in order.

Regent Berenstein asked if participation on boards of directors is included in the definition of "employee" or is an employee just an employee? Director Gerry said he did not believe that was contemplated.

Regent Hatch said she did not want to participate in a roll call vote every time an employee comes within the scope of this law.

Director Gerry stated that the Board Office language reflects the current statute.

With regard to the issue around participation on boards of directors, President Pomerantz stated that in the past there has been discussion on that. It has been the sense of the Board and the interpretation of the Attorney General of the Code that service on boards of directors does not create a conflict in the sense that this conflict of interest provision is intended.

He felt it was appropriate since the point was raised to have further research done to clarify the matter. However, he said it has been a long-established practice that participation on a board of directors is an exclusion from this kind of conflict.

Regent Berenstein said he thought that President Pomerantz' interpretation was correct; however, that decision was made prior to the time this bill was passed. Additionally, he said that if the Attorney General is going to express an opinion on this issue, he would like to see the opinion in writing.

Regent Fitzgibbon said university officials have been encouraged to serve on boards to broaden their views and to provide input. He assumed they would move out of the decision-making process when it effects the university directly. He thought they had all been instructed that way since he has been on the Board of Regents.

Regent Berenstein stated that one of the problems he has encountered in practice is that it is not really what the facts are but the perception from the outside. He said he would be more comfortable if the Attorney General, who acts as the Regents' counsel, would provide a written opinion.

President Pomerantz asked if the Regents would have difficulty with a process that allows the vote to go forward and then request that next month a report come back with an amendment, if necessary?

Regent Berenstein said he would rather wait unless there's some urgency that it be done now because he would rather rely on a written opinion.

Regent Hatch asked about the requirement that each Regent institution receive Board of Regents approval prior to entering into any single contract exceeding $500 with an employee.

President Pomerantz asked if the $500 figure was a requirement of the Code. Mr. Richey said it was a requirement of the Code. President Pomerantz stated that if it's in the Code the Regents do not have a choice but to comply.

MOTION: Regent Berenstein moved to table this item. Regent Hatch seconded the motion, and it carried unanimously.

APPROVAL OF REQUEST FOR PROPOSALS FOR ISSUANCE OF CAPITAL APPRECIATION BONDS. The Board Office recommended the Board (1) approve the "Request for Proposals" for $9.6 million in capital appreciation bonds authorized by the 73rd General Assembly and (2) receive a report on a tentative schedule of bond sales as follows:

Settlement	Institution	Amount
March 1991	*University of Iowa	$9,600,000
July 1991	*University of Northern Iowa	5,530,000
October 1991	Iowa State University	9,185,000
April 1992	University of Iowa	16,985,000

*Capital appreciation bonds scheduled to mature between 1995 and 2010.

In order to meet the legislative requirement of a negotiated sale, the procedure for the "Request for Proposals" will be utilized. The Banking Committee received a draft "Request for Proposals" at its October meeting for review.

The Board's financial advisor has proposed a tentative schedule of events to approve the appointment of an underwriting team at the January Board meeting.

The Board Office has evaluated the scheduling of the current authorization of bonds to assure successful issuances.

The Board's current schedule calls for capital appreciation bonds to be sold in March 1991 for the benefit of the University of Iowa of $15 million.

The proposed tentative schedule of bond sales calls for capital appreciation bonds to be sold in March 1991 for the benefit of the University of Iowa of $9.6 million. The proposed tentative bond sale schedule calls for capital appreciation bonds of $5,530,000 to be sold in July 1991 for the University of Northern Iowa.

The proposed tentative bond sale schedule increases the costs of underwriting by approximately 5/100ths of 1 percent over the costs of the original schedule. The proposed tentative bond sale schedule increases the tuition replacement need for fiscal year 1991 by $18,000 and a decrease of $30,000 in fiscal year 1992 compared to the original tuition replacement need projections.

Regent Fitzgibbon asked if the recommendation changes the bond issuance schedule.

Director Gilchrist responded that it does change the initial issue in March from a $15 million issuance, which was the approved schedule in June, to a $9.6 million. It allows the University of Northern Iowa bonds to be issued in July 1991, in October for Iowa State University, and in April 1992 for the University of Iowa.

Vice President Phillips said the proposed revised schedule would give University of Iowa officials some cash flow problems based on their current

cash flow projections. The cash flow problems would start occurring in 1992. It is the delay to April that causes the university some problems.

President Pomerantz asked what project was involved. Vice President Phillips responded that it was the College of Business Building. Based on the current projections the revised bonding schedule could slow it down several months.

Director Gilchrist said the schedule does not cause any problems with the issue that would be done in March 1991. The university's concern was the April 1992 issue.

President Pomerantz said that if they move the cash flow forward they would be selling more bonds. He asked if the Board Office had dialogue with the university.

Director Gilchrist said there was discussion between the Board Office and the institutions. The Request for Proposals does allow for a larger issue if the issue is over subscribed in March.

President Pomerantz said he did not think they could vote for a cash flow problem.

Regent Fitzgibbon asked if the revised bonding schedule adversely effects Iowa State University and University of Northern Iowa.

Vice President Madden said it effects Iowa State University's Sweeney Hall project and fire safety improvements. There has been some urgency in moving ahead with the fire safety work. The university has already authorized the design work and are planning, in essence, to carry that. They have not arrived at a schedule of the actual repair work which is when the bulk of the funds would be expended. University officials do not anticipate delaying the Sweeney Hall project. In terms of the bidding and design work they are prepared to carry it. It has an interest rate cost because the university will be financing some portion of the expenditures until October 1991. He said his understanding of the need for the delay is primarily associated with tuition replacement timing and the delays of the interest payment drawdowns. They are offsetting that with inflation on the construction costs side. Therefore, university officials concluded that all things considered they are better off to deal with this internally financially.

President Curris said there was no change in the bonding schedule proposal for University of Northern Iowa from the docket in June 1990. University of Northern Iowa officials agreed in June 1990 to front-end the design costs for Seerley Hall and to forward the costs for fire safety to be reimbursed later. Therefore, they do have a small cash flow problem by virtue of that but he said they agreed to that in June.

Vice President Phillips said University of Iowa officials have the same problems with respect to the fire safety projects. They agreed to go ahead and try to cash flow those internally. She urged that the Board go forward with the Request for Proposals so they can get started on that, but that they reconsider after that period what the timing might be.

President Pomerantz suggested they approve the revised schedule subject to further revisions. He referred to the April 1992 date and asked if it were January of 1992 what that would do.

Vice President Phillips responded that would solve the problem for the University of Iowa.

President Pomerantz asked if there was a reason why it was not listed for January. Director Gilchrist responded that the reason it was listed for January was due to the impact on tuition replacement in 1992. If the issue was split there would be an approximate $150,000 increase in tuition replacement need in 1992. The way it is now does not effect what was agreed to in June regarding the 1992 tuition replacement need.

President Pomerantz asked if Director Gilchrist was saying there would be an additional cost of $150,000. Director Gilchrist responded that was correct.

Regent Fitzgibbon said he did not see a problem with moving ahead but they should be aware of what would happen. He felt the Board should consider its options.

President Pomerantz said they have a $150,000 problem. He suggested they make the schedule flexible in that they either go with the April 1992 as outlined in the recommendation or have the flexibility of moving it up to January 1992. He noted that would need to be agreed to by the Board's financial advisors. They could either leave it the way it is or move it forward by 3 months.

MOTION: Regent Berenstein moved to (1) approve the "Request for Proposals" for $9.6 million in capital appreciation bonds authorized by the 73rd General Assembly and (2) receive the report on a tentative schedule of bond sales with the understanding that enough flexibility will be built into the schedule to handle the cash flow concerns. Regent Williams seconded the motion, and it carried unanimously.

ANNUAL GOVERNANCE REPORT ON PURCHASING. The Board Office recommended the Board receive the annual report on purchasing activity at Regent institutions and instruct the Board Office and the institutions to work with Iowa State

(Prison) Industries to increase utilization of Iowa State Industry products and services.

The Board of Regents, through its governance authority, exercises broad oversight of Regent institutions' purchasing. The Board will receive next month a comprehensive review of Regent purchasing operations with a number of recommendations for improvement of the system.

This report encompasses purchasing activities at Regent institutions for fiscal year 1990.

Regent purchasing volume in fiscal year 1990 was $457 million. By comparison, the Department of General Services purchasing volume is estimated at $50 million. The Department of Transportation volume is estimated at $338 million. The Regents, DGS, and IDOT are the primary state purchasing entities.

In fiscal 1990, Regent institutions' purchases of supplies, service, and equipment increased by $56 million, construction by $10 million, and library acquisitions by $.4 million.

Regent institutions expended $10,507,684 with targeted small businesses in fiscal year 1990, approximately 2.3 percent of total purchases.

The 73rd General Assembly has mandated by law that state agencies set a goal of 10 percent of total purchases to be spent with targeted small businesses in fiscal year 1991.

State agencies are required to purchase products from Iowa State Industries (Prison Industries) when the quality and price are comparable to those available from alternative sources and when they can be obtained within a reasonable length of time.

Purchases in fiscal 1990 by Regent institutions from Iowa State Industries totaled $42,378, or less than .01 percent of total purchases. Immediate steps should be undertaken to identify areas in which the institutions can increase utilization of ISI products and services.

Regent institutions are complying with Governor Branstad's Executive Orders and Iowa Code 262.9(4), which require purchase of starch-based bags and recycled paper, and implementation of a recycling program. They are replacing polystyrene products with paper products.

Regent institutions participate in a set of joint purchasing contracts from which all Regent institutions may purchase at prices significantly lower than if procured by each institution independently. Purchases from Regent contracts totaled $24.3 million in fiscal year 1990.

Regent institutions purchased $4.1 million from state contracts developed by the Department of General Services and the Department of Transportation.

Regent institutions purchased 164 vehicles. The majority was obtained through cooperative purchasing contracts developed by the Department of General Services and the Department of Transportation.

Regent institutions participate in purchase agreements with the Educational and Institutional Cooperative Services, Inc., and with AEA 13. University Hospitals is a member of Amerinet and Shared Services of Iowa.

The special schools continued their purchasing arrangement with Iowa State University for items greater than $500. Expenditures processed by the Iowa State University Purchasing Department for the special schools totaled $440,291 in fiscal year 1990.

In fiscal year 1990, Regent institutions reported an increase of 10 percent--from $147 to $162.3 million--in purchases from businesses carrying an Iowa zip code.

Regent institutions have identified over 7,500 Iowa small businesses. Over 18,800 contacts were made with these businesses resulting in 31,000 awards totaling $47 million.

Regent Purchasing Departments processed 135,579 purchase orders in fiscal year 1990.

Regent Hatch said she was concerned that of $457 million in total purchases the Board Office was pleased that the Regents are spending $162 million with Iowa businesses. She felt that did not speak too well for the Regents. There are preference laws. She said the whole purchasing system needs to be referred to the Banking Committee for further review.

President Pomerantz stated the Board would receive a much more comprehensive purchasing report in December.

Regent Hatch noted that she has had quite a few constituents remark that they are not at all pleased with the fact that they are told not to bid in Minnesota -- they don't have a chance -- but that Minnesota firms continue to win awards from Iowa institutions.

ACTION: President Pomerantz stated the Board, by general consent, received the annual report on purchasing activity at Regent institutions and instructed the Board Office and the institutions to work with Iowa State (Prison) Industries to increase utilization of Iowa State Industry products and services.

UNIVERSITY OF IOWA HYGIENIC LABORATORY APPEAL. The Board Office recommended the Board receive the report on the University of Iowa Hygienic Laboratory appeal.

At the October Board meeting the Board asked that the Board Office confer with the parties involved in this appeal and attempt to provide a report with recommendations to the Board of Regents.

A meeting was held with University of Iowa Hygienic Laboratory officials on November 5th and a meeting with the attorneys representing the firm that is appealing to the Board was held on Friday, November 9. An offer to resolve the matter was presented at the November 9 meeting.

Regent Hatch asked for the results of the November 9 meeting. Mr. Richey said he met with representatives of the University Hygienic Laboratory and the legal firm that represents NET Midwest, Inc. University Hygienic Laboratory officials indicated they would provide a list of all private firms qualified to conduct tests which are also conducted at the Hygienic Laboratory with the results of every test done at the Hygienic Laboratory. For those not covered by that proposal, the Hygienic Laboratory proposed to include a reference to the Department of Natural Resources for the list of approved laboratories for certain kinds of work involved in environmental regulations. NET Midwest, Inc., basically wants the University Hygienic Laboratory out of the business of doing any services for Iowa corporations no matter how badly they want the services of the Hygienic Laboratory. That is where the difference of opinion arises. University Hygienic Laboratory officials are checking prices to determine what the facts are with respect to price competition. The Hygienic Laboratory maintains its prices are comparable to those of commercial firms. NET alleges there are instances where the costs of tests performed at the Hygienic Laboratory are substantially less. They are exchanging information and will discuss that aspect of the issue at a future meeting.

Regent Tyler said it was his opinion that the universities have no business trying to compete with tax-paying private enterprises.

Regent Berenstein asked if they were trying to reach a compromise or just to explain what is going on to satisfy the other party. Mr. Richey responded that they are trying to find areas where there can be an accommodation reached and identify the areas where they cannot. He stated the firm is not based in Iowa.

Regent Berenstein said that if the university is doing something no one else can do, that is one thing. It's a different story if they are competing with private industry.

President Pomerantz stated that next month Mr. Richey will come with a recommendation.

Regent Hatch said the firm representing NET Midwest, Inc., presented their grounds of appeal to the Regents. She felt the Regents may need to hear from the university regarding just why they think the university is not engaging in competition with private industry.

President Pomerantz said he hoped that by next month all the facts will be gathered, the recommendation will be made, the university, if it wishes, can address the Board, and the Regents can then make a judgment on what to do. The principle of public universities competing with private industry under normal private sector competitive circumstances is well founded at the Board. However, he said that if there are extenuating circumstances, unique situations, a particular kind of service, or any other of a whole myriad of things that could be in existence, the Regents have to know that. The Board Office is attempting to work through the issue and find out what the answers are.

Regent Berenstein said it sounded as though the Board Office was doing some fact finding and also trying to find areas of accommodation for both sides.

President Pomerantz said it is not so absolute as to say there will be no competition because in many areas the public universities are in a competitive arena, none the least of which is medicine, the practice of law and agriculture. There are exceptions to the non-competition rule. The Board is just trying to find where the truth lies and to get on the side of the truth.

Regent Tyler said he hoped everyone understood that the State Hygienic Laboratory is not the only area of competition within the Regent system. There are other areas that people are complaining about. He hoped that when this issue is resolved that it covers the waterfront and not just this one specific area.

Regent Williams asked if the issue of whether it is a non-Iowa or an Iowa firm that is competing with a Regent university was an issue. Regent Hatch said it should not be an issue. President Pomerantz said there are nine people on the Board of Regents for good reason. He has a little different view of that.

Regent Greig said there are also some underlying factors concerning the Hygienic Laboratory. A lot of the tests they do are done, for instance, at the request of the Department of Natural Resources. A private company may give as good an analysis but other agencies will not accept those as well as they will a state test analysis. Those are some underlying problems that need looked at that are not due to competition but are due to acceptance of other state organizations.

ACTION: President Pomerantz stated the Board received the report on the University of Iowa Hygienic Laboratory appeal by general consent.

REORGANIZATION OF BOARD OFFICE UNITS. The Board Office recommended that the Board approve the creation of a Human Resources Unit within the Board Office.

Many organizations have adopted a more comprehensive approach to the personnel function. A comprehensive Human Resources approach will improve materially the ability of the Board Office to realize affirmative action objectives.

Creation of this unit will enable more resources and support to be devoted to our affirmative action efforts.

The reorganization will integrate more effectively all personnel efforts, merit system, affirmative action, professional and scientific, in a single unit. The reorganization will assist in formulating personnel policies necessary to achieve the goals of the Board as stated in its strategic plans.

The "dotted line" reporting relationship from the Affirmative Action Officer to the Executive Director is to emphasize that there is a direct line of communication available to the head of the office when the need arises.

Mr. Richey said the issue of continuation of the direct reporting to the Executive Director by the Affirmative Action Officer was presented to the Affirmative Action Priority Study Committee. The committee members suggested a direct line reporting relationship between the Affirmative Action Officer and the Executive Director, with a dotted line relationship to the Human Resources Unit. He recommended approval.

MOTION: Regent Berenstein moved to approve the creation of a Human Resources Unit within the Board Office as revised by the Affirmative Action Priority Study Committee. Regent Furgerson seconded the motion.

Regent Berenstein urged that the Board continue with its pursuit of having a lawyer on staff to solve some of the legal problems that the Regents seem to regurgitate every meeting. He hopes they continue their quest to modify the organization chart further to include a lawyer.

Regent Hatch referred to the revised organization chart and said that everyone else on the second line reporting to the Executive Director is called "director". She said she was not familiar enough with the Regents salary structure to know if there is a difference between an affirmative action officer and a director. However, generally people on the same level have the same title.

Mr. Richey said the Affirmative Action Officer position has been at the associate director level because of the scope of responsibilities and the point count accomplished by a professional personnel organization. He reminded the Regents that the position is on the payroll of the University of Iowa and is supported jointly by all the institutions under the Board of

Regents. He said the position would be evaluated over the next year or so in terms of the broadened responsibilities and a decision would be made.

President Pomerant pointed out that it may require a title change, a job description change and a pay change.

Regent Furgerson asked if those changes would come with the study. Mr. Richey said that was correct.

MOTION: Regent Hatch moved to approve the creation of a Human Resources Unit within the Board Office as indicated on the organizational chart, as revised. Regent Fitzgibbon seconded the motion, and it carried unanimously.

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

Expenditures by the Board Office through October 31, 1990, were within the projected budget approved by the Board. One extra pay period was charged to October which caused expenditures for personnel services to appear to be larger than they really were. At the conclusion of the first half of the fiscal year a comprehensive report will be made to the Board with projections for the remainder of the fiscal year.

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

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

December 19-20	University of Iowa	Iowa City
January 17, 1991	Telephonic Board Meeting	
February 20-21	University of Northern Iowa	Cedar Falls
March 20-21	Iowa State University	Ames
April 17-18	University of Iowa and	Iowa City
	Iowa Braille & Sight Saving School	Vinton
May 15-16	Starlite Best Western	Fort Dodge
June 19-20	Iowa State University	Ames
July 17-18	University Park Holiday Inn	Des Moines
September 25-26	University of Iowa	Iowa City
October 16-17	University of Northern Iowa	Cedar Falls
November 20-21	Iowa State University	Ames
December 18	Marriott	Des Moines
July 15-16, 1992	University Park Holiday Inn	Des Moines

ACTION: This matter was approved by consent.

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

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, November 14, 1990.

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

Register of Personnel Changes for September 1990.

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

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

PROJECT DESCRIPTIONS AND BUDGETS

University officials submitted one new project for approval by the Board. This project was included in the university's quarterly report of anticipated capital projects.

Chemistry-Botany Building--Remodel Rooms 316-332 $300,000
Source of Funds: Building Renewal Funds or Income from Treasurer's Temporary Investments

Preliminary Budget

Design, Inspection and Administration	$ 47,900
Construction	231,200
Contingencies	20,900
TOTAL	$300,000

This project will provide for the renovation of a group of rooms, totaling approximately 2,326 square feet, in the northeast wing of the Chemistry-Botany Building. The renovated rooms will be used for research laboratories for two new faculty members in the Department of Botany.

* * * * * * *

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

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ARCHITECT/ENGINEER AGREEMENTS

University Hospitals and Clinics--Pappajohn Pavilion Basement Expansion — $25,200
Hansen Lind Meyer, Inc., Iowa City, Iowa

University officials requested approval to enter into an architectural agreement with Hansen Lind Meyer for design services on this project. The basement expansion is required in order to meet spatial and functional program requirements for the Orthopaedic Clinic and the Multi-Disciplinary Rehabilitation Center. The agreement provides for a maximum fee of $25,200, including reimbursables.

University Hospitals and Clinics--Surgery Faculty Office Consolidation--Phase II — $23,325
Hansen Lind Meyer, Inc., Iowa City, Iowa

University officials requested approval to enter into an architectural agreement with Hansen Lind Meyer for design services on this project. This is the second of two phases for this project which will develop a consolidated faculty office suite for the Department of Surgery on the first floors of the Colloton and Pappajohn Pavilions. The agreement provides for a maximum fee of $23,325, including reimbursables.

CONSTRUCTION CONTRACTS

Main Power Plant Boiler Replacement Program--Phase I--Boiler No. 11
Riley-Stoker Corporation, Worcester, MA

University officials requested approval of an agreement with the Riley-Stoker Corporation for design and installation of two natural gas-fired replacement boilers as part of the settlement for the Main Power Plant Boiler Replacement Program--Phase I project. The agreement is in accordance with previous information provided to the Board.

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

Engineering Research Facility--Mechanical Contract
L. A. Fulton & Sons, Inc., Des Moines, Iowa

North Campus Parking and Chilled Water Facility--
Mechanical and Electrical Contracts
R. M. Boggs Company, Inc., Iowa City, Iowa

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

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

With BREAKTHROUGH, INC., for its use of approximately 286 square feet of office space in Room 131 of the Technology Innovation Center (TIC) on the Oakdale Campus, for a one-year period beginning December 1, 1990, at a rate of $143 per month;

With RESPONSE TELEVISION CORPORATION, for its use of approximately 651 square feet of office space (Rooms 202, 203, 204 and 206) in the Technology Innovation Center (TIC) on the Oakdale Campus, for a one-year period beginning December 1, 1990, at a rate of $325 per month;

With U.S. WEST COMMUNICATIONS for its use of a five feet wide easement located approximately 24 inches from the north property line near the Hawkeye Family Housing Complex on the west campus of the University of Iowa, for the purpose of installing a five-pair drop cable approximately three feet below the surface of the ground, subject to Executive Council approval;

With IOWA-ILLINOIS GAS AND ELECTRIC COMPANY for its use of a five feet wide easement over the north boundary of three lots of university property for the purpose of replacing existing overhead electric service to three university-owned houses on Grove Street in Iowa City with underground electrical service within the easement, subject to Executive Council approval.

Associate Director Hollins stated that the Board Office provided a complete listing of all the active leases at the institutions. Additionally, the universities reported they have no vacant space to lease as landlords. The Iowa School for the Deaf has approximately 26,860 square feet vacant and Iowa Braille and Sight Saving School has approximately 4,800 square feet vacant. He said the Board Office would work with the special schools to review space utilization and to develop master plans.

Regent Berenstein thanked Mr. Hollins for preparing the lease summary. With regard to the University of Iowa's leases in the Technology Innovation Center, he said it would be a good idea to list the owners right on the summary rather than on another attached sheet. He then referred to the section concerning

liability which stated there was no hold harmless or indemnification clause in the University of Iowa lease document but in the Iowa State University leases there is a hold harmless clause. He said there should be an indemnity provision whereby the lessee indemnifies the university for everything they do that is not based upon an act of negligence by the university. That is standard language in most legal contracts and he felt it would be in the best interest of the university to have that kind of clause as part of its standard language. He said the Iowa State University indemnity clause is good although it does not include language about defense. The cost of legal defense can by high. He offered to discuss the document language with Board Office staff because those are important clauses that should be included.

Regent Fitzgibbon referred to the companies leasing space in the Technology Innovation Center and Iowa State Innovation System that have little to no net worth. He said those companies should provide proof of financial responsibility such as letters of credit or similar documents to accompany the leases.

President Pomerantz cautioned that there are circumstances though that cause the universities to want to foster fledgling technology-based companies. In the end there may not be much net worth if you bring everything into it.

Regent Fitzgibbon said the universities may be willing to absorb whatever might happen for the benefit of the university.

President Pomerantz stated that Regents Berenstein and Fitzgibbon made some good points. Certainly the inclusion of an indemnification clause in the lease documents should not be a big problem. Also, financial responsibility, where appropriate, ought to be included.

Regent Hatch noted that it does not generally cost very much for some sort of financial-type insurance rider even with fledgling companies.

President Pomerantz asked who is responsible for drafting the leases. Associate Director Hollins said the leases are reviewed at the Board Office.

President Pomerantz asked from a legal perspective who is looking at the language. Associate Director Hollins responded that each university has its own standard lease for the technology centers.

President Pomerantz asked who approved those standard leases. Associate Director Hollins said they formerly were all sent to the Attorney General's Office. When leases come into the Board Office for review that are different than the standard leases, those go to the Attorney General's Office for review.

Regent Fitzgibbon questioned the $6.00/square foot lease cost in today's market place. Mr. Richey said the whole purpose of the technology incubator

programs is to stimulate the creation of successful businesses. Most of the lease costs are below market. The universities should not be leasing space for purposes other than economic development for the state of Iowa.

Regent Berenstein asked who subsidizes the lease arrangements for these fledgling companies. Mr. Richey responded that the costs are absorbed by the individual universities.

President Pomerantz asked for the type of space leased for six dollars/square foot. Vice President Phillips responded that it is mostly office space.

Regent Berenstein said he did not want to confuse the issue of legal problems with economic problems. He felt they needed to address the issue of an indemnity clause in the lease documents.

President Pomerantz said he did not feel that he received a clear-cut answer concerning the mechanics of the lease itself. Associate Director Hollins said the basic technology transfer leases at Iowa State University and University of Iowa were conveyed to the Attorney General's Office. They were also reviewed by the former attorney in the Board Office. With regard to the handling of renewals, he said that if they are basically the same as the previous lease, it is just repeated. The new leases are all sent to the Attorney General's Office for review.

President Pomerantz suggested the Board Office submit a lease and ask the Attorney General for a written Opinion on the lease. He said the lease would then be a standard lease that would be used in the future and modified when it was appropriate to be modified.

Regent Berenstein stated that a standard provision on indemnity to be utilized by all three Regent universities would also be appropriate.

President Pomerantz asked that the Board Office send a copy of the response from the Attorney General's Office to Regent Berenstein. Associate Director Hollins responded that the Board Office would do so.

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

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 14, 1990.

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

Register of Personnel Changes for October 1990 which included early retirements as follows:

DONALD J. MAAKESTAD, Laboratory Mechanic Technician, Veterinary Medical Pharmacology and Physiology Department, retiring June 30, 1991;

RICHARD R. HANSEN, Farm Equipment Mechanic, Agronomy Department, retiring March 15, 1991;

MARY E. JONES, Custodian, Facilities Planning and Management, retiring June 30, 1991;

PATRICIA R. HILL, Thesis Editor, Graduate College, retiring January 2, 1991;

CAROLYN B. POTTER, Clerk, Graduate College, retiring January 2, 1991;

DONALD A. BLAUW, Engineer, Facilities Planning and Management, retiring June 30, 1991;

LILIAN J. LEE, Custodian, Residence, retiring June 30, 1991;

JAMES K. MILLER, Facilities Mechanic, Residence, retiring June 30, 1991;

BURTON J. GLEASON, Manager, Ames Laboratory Information, retiring November 9, 1990;

MALCOLM A. ROUGUIE, Associate Professor, Biochemistry and Biophysics, retiring February 3, 1991;

RICHARD H. KRAEMER, Assistant Professor, Journalism and Mass Communication, retiring May 20, 1991; and

JAMES K. OVERTURF, Assistant Athletic Director for Business, retiring January 11, 1991.

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

APPROVAL OF POST-AUDIT REPORTS. The Board Office recommended the Board refer the post-audit reports to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials prepared post-audit reports on the undergraduate minor in Gerontology and the B.S. degree in Agricultural Microbiology. Post-audit reports are routinely referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

ACTION: President Pomerantz stated this matter was approved by consent.

APPROVAL OF DEPARTMENT CHANGES. The Board Office recommended the Board refer the request to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials requested a restructuring of the Departments of Elementary and Secondary Education and selected areas of Professional Studies in Education into a new Department of Curriculum and Instruction. University officials requested the change of the name of the Department of Physics to the Department of Physics and Astronomy.

Iowa State University officials requested approval to change the name of the Department of Agricultural Engineering to the Department of Agricultural and Biosystems Engineering.

The creation of a separate Department of Anthropology that is now a part of the Department of Sociology and Anthropology and the renaming of the current department to the Department of Sociology was requested.

Approval for the elimination of the Department of Freshman Engineering and the creation of an administrative unit entitled Engineering Fundamentals and Multidisciplinary Design was also requested.

ACTION: President Pomerantz stated this matter was approved by consent.

APPROVAL OF PROGRAM CHANGES. The Board Office recommended the Board refer the request to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials requested approval for the discontinuation of the Ph.D. degree with major in Engineering Valuation, the B.S. degree program in Nuclear Engineering, and the Master of Engineering in Materials Science and Engineering. The reorganization of the graduate programs in Civil and Construction Engineering, the suspension of the major in Telecommunicative Arts, and the name change in the curriculum in Agricultural Mechanization to Agricultural Systems Technology was also requested.

ACTION: President Pomerantz stated this matter was approved by consent.

APPROVAL OF NEW UNDERGRADUATE PROGRAM. The Board Office recommended the Board refer the request to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Iowa State University officials proposed an undergraduate major in Advertising to be offered by the Department of Journalism and Mass Communication in the College of Liberal Arts and Sciences. Advertising is now offered as an emphasis within the Department of Journalism and Mass Communication and has experienced steady growth.

ACTION: President Pomerantz stated this matter was approved by consent.

APPROVAL OF NEW CENTER. The Board Office recommended the Board receive the report on the Iowa State University Energy Analysis and Diagnostic Center.

Iowa State University officials reported on a U.S. Department of Energy sponsored center. The purpose is to assist small manufacturers in Iowa to improve their energy use and efficiency and to broaden educational experience of students.

This item was brought to the attention of the Board for its information only as university officials indicated that the center will require less than $25,000 in state appropriated funds for its operation. The center will cease to exist upon expiration of the funds from the Department of Energy.

ACTION: President Pomerantz stated the Board received the report on the Iowa State University Energy Analysis and Diagnostic Center by general consent.

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

PROJECT DESCRIPTIONS AND BUDGETS

University officials presented revised budgets on the following projects.

Laboratory Animal Facilities--Partial Renovations

June 1988 Budget $472,000
Revised Budget $479,737

Project Budget

	Budget Approved June 1988	Revised Budget Nov. 1990
Construction Contract	$ 336,090	$ 357,273
Purchase Order Contracts		8,483
Design Services	42,000	44,326
Construction Administration	16,500	16,815
University Services	7,000	5,432
Miscellaneous	500	665
Movable Equipment	34,400	44,281
Project Reserve	35,510	2,462
TOTAL	$ 472,000	$ 479,737
Source of Funds:		
National Institute of Health Grant	$ 196,574	$ 204,336
Building Repair Fund or Income from Treasurer's Temporary Investments	275,426	
Building Repair Fund		250,000
Income from Treasurer's Temporary Investments		17,664
Lab Animal Resources Residual		3,869
Lab Animal Resources Centralization		3,868
TOTAL	$ 472,000	$ 479,737

This budget was increased $7,737 from the last approved budget of $472,000 reported in June 1988. The increase is necessary in order to bring the project budget into balance with anticipated expenditures. Through an accounting oversight, certain expenditures for project equipment were not properly reported into the project budget management records. The university has corrected the reporting problem and two fund sources have been added to accommodate the revised budget total.

Willow/Larch Halls Elevator Upgrade and Modernization
Source of Funds: Dormitory System Surplus

Nov. 1989 Budget $313,350
Revised Budget $322,350

Project Budget

	Budget Approved Nov. 1989	Revised Budget Nov. 1990
Construction Contract	$ 285,200	$ 293,840
Design Services	18,500	18,500
University Services	500	500
Miscellaneous	500	1,000
Project Reserve	8,650	8,510
TOTAL	$ 313,350	$ 322,350

This budget was increased by $9,000 from the last approved budget of $313,350 reported in November 1989. The $9,000 increase is necessary to allow for hidden conditions and to provide necessary improvements to ensure the quality, security and vandal resistance of the vertical transportation system being installed.

* * * * * * *

University officials reported one new project with a budget of less than $250,000 which was included in the university's quarterly report of anticipated capital projects. The title, source of funds and estimated budget for the project was listed in the register prepared by the university.

* * * * * * *

ARCHITECT/ENGINEER AGREEMENTS

Sweeney Hall Addition and Renovation — $488,000
Brown Healey Stone and Sauer, P.C., Cedar Rapids, IA
(Architectural/Engineering Services)

University officials requested authorization to enter into an agreement with Brown Healey Stone and Sauer (formerly Brown Healey Bock) for design services through completion of the project. The firm was approved by the Board at the February 1985 meeting. The agreement provides for a maximum fee of $488,000, including reimbursables.

Mechanical Engineering and Engineering Science and Mechanics Building (Black Engineering Building) — $9,500
Brown Engineering Company, West Des Moines, IA
(Engineering Services)

University officials requested authorization to enter into an agreement with Brown Engineering Company for professional engineering services in the design

of an alternate electrical service for the Black Engineering Building. The agreement provides for a maximum fee of $9,500, including reimbursables.

Office and Laboratory Building--HVAC Modifications $33,000
Kimmel-Jensen-Wegerer-Wray Engineering Consultants, Des Moines, IA
(Engineering Services)

University officials requested authorization to enter into an agreement with Kimmel-Jensen-Wegerer-Wray for design services through completion of the project. The agreement provides for a maximum fee of $33,000, including reimbursables.

Dairy Industry--Addition and Renovation (Phase II--Remodeling) $63,800
RDG Bussard/Dikis, Inc., Des Moines, IA
(Architectural/Engineering Services)

University officials requested approval of an agreement for architectural services for the remodeling portion of this phase of the project. The agreement provides for a maximum fee of $63,800, including reimbursables.

CONSTRUCTION CONTRACT

Swine Nutrition and Management Research Center--
Research Unit

Bid Rejection (one bid received)

Bids were opened for this project on October 23, 1990. Only one bid was received, which was 18 percent over the architect/engineer's construction estimate. The bid documents were distributed to 14 plan rooms throughout Iowa. Bid documents were also sent to eight prime contractors. It is believed that the workload of many contractors at this time of year prevents them from undertaking a project of this scope at this time.

The university plans to re-bid the project in the near future. University officials are investigating the feasibility of reducing the scope of the project, if necessary, to bring the bids more in line with the project budget.

President Pomerantz asked for Vice President Madden's opinion of why the university only received one bid. Vice President Madden said it appeared that all the contractors were too busy. There is plenty of work right now. University officials are hopeful that during the winter period they will attract additional bidders.

President Pomerantz noted that it did not sound to him like there was a recession.

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

Applied Sciences Center--Center for New Industrial Materials--Phase V
Harold Pike Construction Company, Ames, Iowa

Molecular Biology Building--Utilities--North Campus Substation Power Wiring
Nikkel and Associates, Inc., Ames, Iowa

VMRI Animal Holding Facility
Badding Construction Company, Inc., Carroll, IA

Swine Nutrition and Management Research Center--Swine Housing
Webster Construction Company, Fort Dodge, IA

FINAL REPORTS

Laboratory Animal Facilities--Partial Renovations	$479,736.68
VMRI Building No. 6--Remodeling	$290,132.99
Utilities--Heating Plant--Turbine Generator No. 5 Repair	$1,033,204.38

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

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

With CYGNUS APPLIANCE CORPORATION, for its use of approximately 165 square feet of office space in Suite 610 of the ISIS Center at the ISU Research Park for a six-month period beginning November 1, 1990, at a rate of $135 per month.

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

IOWA STATE CENTER ANNUAL REPORT. The Board Office recommended the Board (1) receive the report of Ogden Allied on the operation of the Iowa State Center for the period January 1, 1990, through June 30, 1990, and (2) adopt a policy replacing semi-annual reports on the Iowa State Center with annual reports.

Iowa State University entered into an agreement with Ogden Allied Entertainment Services, formerly called Ogden Allied Facility Management, for the operation of the Iowa State Center on February 1, 1988.

The primary objectives of the agreement are to achieve improved financial operations of the Center and increase the number, profitability and diversity of programs at the Center. This was the fifth semi-annual report presented to the Board of Regents since Iowa State University entered into the contract with Ogden Allied Entertainment Services. Ogden Allied Entertainment Services has operated the Iowa State Center for two complete fiscal years as of June 30, 1990.

Total attendance at the Iowa State Center for fiscal year 1990 was 918,491 when including the Center, Brunnier Gallery, and Farmhouse Museum. This compares to attendance in 1986-87 of 859,771. The attendance for fiscal year 1990 represents an increase of 24,428 over fiscal year 1989 attendance figures and 58,720 over fiscal year 1987 attendance.

The total university allocation including the general subsidy ($693,366) and the utility subsidy ($636,991) adjusted by rent grants (-$63,800) amounted to a total subsidy ($1,266,557) for fiscal year 1990.

Iowa State University has decided not to pursue implementing box suites in Hilton Coliseum. This has resulted in a $75,000 adjustment to the original budget due to unrealized box suites revenues which had been previously incorporated in the Center's budget.

Ogden Allied's financial performance is based on the comparison of current operations to the benchmark year of fiscal year 1986-87. The net general subsidy after adjusting for the unrealized box seat revenues is $618,509. This is $100,000 below the benchmark year of fiscal year 1987 and equals the goal proposed in the initial contract.

Ogden Allied is responsible for concession stands, novelty sales and beer/wine/alcohol sales at the Center. Concession revenues for fiscal year 1990 amounted to $745,926.11 with net revenues of $331,233, which represented a 44.4 percent return on gross.

The university's internal auditor has been performing unannounced cash and concession counts. Additionally, Ogden Allied corporate audit staff have reviewed the Center's operation.

The university is in the process of developing policies to revise Ogden Allied purchasing procedures to eliminate the purchase of styrofoam products at the Iowa State Center.

On May 23, 1990, Joseph Romano was appointed by Ogden Allied as the new Center director replacing Steven L. Peters who resigned on March 1, 1990.

An investment committee comprised of the university's contract administrator, Center director, Center director of business and finance, and the university treasurer, has been established and is currently outlining policies for funds investment within the care of Ogden Allied Center operation.

The Center continues to be a major employer of university students, with employment of approximately 550 students.

Special events programming continues to remain a top priority for Ogden Allied and runs the spectrum from performing arts to family shows to contemporary concerts. The special events increased by 4 events to 32 in fiscal year 1990 from 28 in fiscal year 1989. Net revenues generated from these special events were in excess of $365,000.

The university continues to believe the general objectives established when the agreement was negotiated with Ogden Allied are being met. The university will continue to strive for improved financial performance. Overall programming is improving in entertainment events which has brought positive publicity and national entertainment to central Iowa. These events have not come at the expense of the primary mission of serving the university's cultural, educational and athletic users.

Regent Tyler said he was pleased that the university's internal auditor has been performing unannounced cash and concession counts at the Iowa State Center. He then asked if the university has now officially determined not to pursue the box suites at Iowa State Center. He noted that the university and Board of Regents had received a lot of criticism about the proposal to install box suites although there was not much constructive criticism.

Vice President Madden said the buildings at the Iowa State Center are now close to 20 years old. Fine arts will never be totally self supporting. He noted that the word "never" is not used in reference to the box suites project for Hilton Coliseum.

MOTION: Regent Fitzgibbon moved to (1) receive the report of Ogden Allied on the operation of the Iowa State Center for the period January 1, 1990, through June 30, 1990, and (2) adopt a policy replacing semi-annual reports on the Iowa State Center with annual reports. Regent Williams seconded the motion, and it carried unanimously.

President Pomerantz then asked Board members and institutional executives if there were additional items for discussion pertaining to 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 14, 1990.

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

Register of Personnel Changes for September and October 1990.

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

PRESENTATION ON THE TALLOIRES CONFERENCE ON THE ROLE OF UNIVERSITIES IN ENVIRONMENTAL MANAGEMENT AND SUSTAINABLE DEVELOPMENT. The Board Office recommended the Board receive the report.

President Curris provided the Board with a report on the Talloires Conference that recently took place in France concerning the role of universities in environmental management and sustainable development. He said it was a remarkable conference. The conference participants developed a declaration indicating that as the presidents, rectors and vice-chancellors of universities from all regions of the world, they were deeply concerned about the unprecedented scale and speed of environmental pollution and degradation, and the depletion of natural resources. They agreed to take the following actions:

1. Use every opportunity to raise public, government, industry, foundation and university awareness by publicly addressing the urgent need to move forward toward an environmentally sustainable future.

2. Encourage, both at our universities and in collaboration with other universities, education, research, policy formation and information exchange on population, environment, and development to move toward a sustainable future.

3. Establish programs to produce the needed expertise in environmental management, economic development, population and related fields to ensure that all university graduates are environmentally literate and responsible citizens.

4. Foster programs to develop the capability of university faculty to teach environmental literacy and responsibility to all undergraduate, graduate, and professional school students.

5. Set an example of environmental responsibility by establishing programs of resource conservation, recycling and waste reduction at the universities.

6. Work on expanding the involvement of government, foundation and industry in supporting university research, education, policy formation and information exchange on environmentally sustainable development. Expand work with government at all levels and non-governmental organizations to assist in finding solutions to environmental problems.

7. Convene deans of appropriate schools and environmental practitioners to develop research, policy and information exchange programs, and education curricula for an environmentally sustainable future.

8. Establish partnerships with primary and secondary schools to help develop the capability of their faculty to teach about population, environment, and development issues.

9. Work with the U.N. Conference on Environment and Development, with the United Nations Environment Programme, and other national and international organizations to promote a world-wide university effort toward a sustainable future.

10. Establish a steering committee and a secretariat to continue this momentum and inform and support each other's efforts in carrying out this declaration.

President Curris said he discussed the efforts being made in Iowa to address environmental issues. The Iowa Waste Reduction Center inventories waste products of businesses in the area. Officials have discovered that 50 percent of the landfill comes from sand from the John Deere foundry.

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

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

PROJECT DESCRIPTIONS AND BUDGETS

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

university. Included for Board review was one 1991 Institutional Roads project.

Institutional Roads--1991--Nebraska Street Reconstruction $77,000
Source of Funds: 1991 Institutional Roads Funds

Project Budget

Contract/Purchase Orders	$ 64,000
Consultant and Design Services	9,600
Contingencies	3,400
TOTAL	$ 77,000

This project will provide for the reconstruction of Nebraska Street from 27th Street to approximately 750 feet north of 27th Street.

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CONSTRUCTION CONTRACTS

Wright Hall Renovation $2,159,087
Award to: Prairie Construction Company, Inc., Waterloo, Iowa
(7 bids received)

Instructional, Research and Computational Equipment $59,548.36

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

Wright Hall Renovation--Asbestos Abatement $29,700
Environmental Management Services, Inc., Dubuque, Iowa

FINAL REPORTS

Fire Safety Improvements--1989--Price Lab School and East Gym $250,000

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

PROPOSED PROPERTY SALE. The Board Office recommended the Board authorize the sale of 33.9 acres of university property, which currently serves as the University of Northern Iowa Golf Course, in Cedar Falls, Iowa, for the amount of $527,500, subject to the approval of the Executive Council, to the Iowa Department of Transportation.

University of Northern Iowa officials proposed to sell 33.9 acres of farmland to the Iowa Department of Transportation pending approval by the State Executive Council. The Iowa Department of Transportation requires this property for construction and maintenance of Iowa Highway Number 58.

The University of Northern Iowa will receive compensation from the Iowa Department of Transportation in the amount of $527,500.

This property was donated to the university by Charles and Ella Rownd on April 25, 1925, "to be developed and maintained as a playground and recreation and picnic grounds for said institution." This property was not purchased with state appropriations.

Regent Berenstein asked who gets the money from the sale of the property. Vice President Conner responded that the university receives the proceeds from the sale. President Curris said the provision of the bequest was that it be used for recreational purposes. The intent of the university is that the proceeds be used for an alternative recreational purpose. He felt that if there were a change in the use of the funds there may be some legal problems.

MOTION: Regent Berenstein moved to authorize the sale of 33.9 acres of university property, which currently serves as the University of Northern Iowa Golf Course, in Cedar Falls, Iowa, for the amount of $527,500, subject to the approval of the Executive Council, to the Iowa Department of Transportation. Regent Furgerson seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Fitzgibbon, Furgerson, Greig, Hatch, Pomerantz, Westenfield, Williams.
NAY: None.
ABSTAIN: Tyler.
ABSENT: None.

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

IOWA SCHOOL FOR THE DEAF

The following business pertaining to Iowa School for the Deaf was transacted on Wednesday, November 14, 1990.

RATIFICATION OF PERSONNEL TRANSACTIONS. The Board Office recommended the Board ratify the following personnel transactions:

Register of Personnel Changes for October 1990.

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

REPORT TO BOARD ON RECOGNITION OF TEACHER KATHY MALICK'S SELECTION BY LEARNING MAGAZINE. The Board Office recommended the Board receive the report.

Superintendent Johnson stated that during the 1989-1990 school year, Learning Magazine and the Oldsmobile Corporation began a search to recognize the top 20 classroom teachers in the country. Over 2,000 nominations were received. Kathy Malick, kindergarten teacher at Iowa School for the Deaf, was nominated by Assistant Superintendent John Balk for her guidance and the effort that she devoted to the kindergarten mainstream program with the Lewis Central School District. She co-developed, co-taught and co-sponsored the program with teacher Kathy Moe at Lewis Central elementary school. During the intensive screening process Learning Magazine looked at the teachers' rationale, program development and program success. This process involved written questionnaires, personal interviews with the team of nationally-recognized educators, and a classroom visit from the judges of Learning Magazine. In May 1990 Ms. Malick was informed that she was one of the 20 outstanding teachers in the United States selected to be honored as an outstanding leader in the field of education. She attended a conference that was co-sponsored by Learning Magazine, General Motors and Michigan State University.

Superintendent Johnson said it was an honor again to recognize Kathy Malick for her contributions to the field of the education of the deaf and to the children of the Iowa School for the Deaf. He requested that President Pomerantz present her with the medal and the placque that she received commemorating this outstanding achievement.

President Pomerantz said it was a real pleasure for him, on behalf of the Board of Regents, to present the award to Ms. Malick. He congratulated her and expressed the Board's appreciation for all of her many efforts.

Ms. Malick thanked President Pomerantz. She said she was honored to be able to receive the award. She represented her school and is proud to be a part of the family of Iowa School for the Deaf.

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

APPROVAL OF AGREEMENT FOR GALLAUDET EDUCATIONAL RESOURCE CENTER ON DEAFNESS. The Board Office recommended the Board (1) approve the proposed agreement for the Gallaudet Educational Resource Center on Deafness at the Iowa School for the Deaf and (2) request that the Iowa School for the Deaf develop, in coordination with the Board Office and the Attorney General's Office, forms necessary to implement its responsibilities under this agreement.

In September, the Iowa School for the Deaf informed the Board of Regents of its receipt of a grant and designation as the Gallaudet Educational Resource Center on Deafness for the north central region.

An agreement detailing the arrangements of this designation was developed and recommended for approval. The agreement was reviewed by the Attorney General's Office.

In addition to the proposed agreement that would provide for the Iowa School for the Deaf to coordinate activities for the region, it was recommended that the Iowa School for the Deaf develop internal procedures and appropriate forms and agreements for carrying out its activities as a coordinator for the region.

MOTION: Regent Berenstein moved to (1) approve the proposed agreement for the Gallaudet Educational Resource Center on Deafness at the Iowa School for the Deaf and (2) request that the Iowa School for the Deaf develop, in coordination with the Board Office and the Attorney General's Office, forms necessary to implement its responsibilities under this agreement. Regent Furgerson seconded the motion, and it carried unanimously.

REPORT ON PERFORMANCE-BASED TEACHER EVALUATION. The Board Office recommended the Board receive the report on the performance-based teacher evaluation process at the Iowa School for the Deaf.

Iowa School for the Deaf officials developed a performance-based teacher evaluation tool for evaluation of faculty at the school. The system consists of a series of scheduled and unscheduled classroom observations by a teacher's principal, evaluations and the joint development of goals for improvement

following each observation, and an over-all evaluation by the principal at the end of the school year.

The process has been pilot tested, reviewed and revised by the administration, faculty, and advisory committee for the Iowa School for the Deaf. The principals and faculty have all been trained in the use of this evaluation process. This effort should result in improved faculty performance.

Superintendent Johnson stated that Assistant Superintendent Balk would share with the Regents the changes and adjustments in evaluating teachers.

Assistant Superintendent Balk extended to everyone a very warm welcome from students and staff of the Iowa School for the Deaf. He said the first charge Superintendent Johnson gave him was to review the teacher evaluation format. He discussed the process school officials have undergone in order to achieve this task.

Regent Williams said it was very good to see the school has made this much effort to improve its teacher evaluation system and that it was a wonderful start.

ACTION: President Pomerantz stated the Board received the report on the performance-based teacher evaluation process at the Iowa School for the Deaf by general consent.

REPORT ON JOINT AGREEMENT WITH AEA 13 AND LEWIS CENTRAL SCHOOL. The Board Office recommended the Board receive the report.

Superintendent Johnson stated that in the past he has discussed with Regents the cooperative programming of Iowa School for the Deaf with the Lewis Central School District and Area Education Agency 13. He introduced Glenn Grove, Area Education Agency 13, and Harold Condra, Lewis Central High School Principal.

Mr. Grove said it was a pleasure to bring words of encouragement. He said the visionary leadership of Superintendent Johnson and Assistant Superintendent Balk has led to the sharing of staff and offices. Through the combining of resources they are saving the taxpayers of Iowa. He said Iowa School for the Deaf has a very cooperative program at Lewis Central High School although they continue to dream about the future in the way of expanding services to the deaf-blind community. Iowa School for the Deaf High School is very much a part of the effort. He hopes the Board of Regents will continue to foster that kind of relationship.

Mr. Condra discussed the cooperative high school programs. A cooperative program has been in place for over 10 years. In the last few years since Superintendent Johnson has been at the Iowa School for the Deaf the cooperative efforts have increased. Fifteen Iowa School for the Deaf students

attend classes at Lewis Central High School. Lewis Central students attend Iowa School for the Deaf for photography and auto body courses. Mr. Condra congratulated Superintendent Johnson on his efforts to improve cooperation between the schools.

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

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

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Wednesday, November 14, 1990.

RATIFICATION OF PERSONNEL TRANSACTIONS. The Board Office recommended the Board ratify the following personnel transactions:

Register of Personnel Changes for September 30 to October 27, 1990.

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

APPROVAL OF ACCREDITATION PRACTICES. The Board Office recommended the Board approve the proposed accreditation practices at the Iowa Braille and Sight Saving School.

Iowa Braille and Sight Saving School officials reported on the status of its accreditation efforts. Two organizations have traditionally provided accreditation of the school and both were proposed for continuance at least until 1997.

School officials recommended that these traditional approaches be modified by alternative processes offered by the same organizations that focus on student outcome assessments should these alternative approaches be made available.

Superintendent Thurman stated that the outcomes accreditation practice looks at the product not the process. School officials want to know if they are accomplishing what they intend to. Outcomes accreditation is still new to Iowa.

MOTION: Regent Williams moved to approve the proposed accreditation practices at the Iowa Braille and Sight Saving School. Regent Furgerson seconded the motion, and it carried unanimously.

APPROVAL OF CHAPTER I FUNDING PROPOSAL FOR FISCAL YEAR 1991. The Board Office recommended the Board approve the Chapter I restricted fund program budget of $32,694, subject to program approval by the Department of Education.

The proposed Chapter I program for fiscal year 1991 is a continuation of last year's program. The proposed budget will provide funds to employ a teacher with certification in visual impairment to teach Adaptive Communications/ Science and to coordinate the Resource Room/Mainstreaming Programs for students who are blind or visually impaired and are enrolled at the Iowa Braille and Sight Saving School. This teacher also coordinates the Resource Room/Mainstreaming Program in the Vinton Public Schools.

Superintendent Thurman stated there has been a move in Congress to end Chapter I funding. That effort has been defeated for this year; however, he cautioned that the issue is not going to go away.

Regent Hatch asked when the Iowa Braille and Sight Saving School's Chapter I application is due. Ms. Utsinger responded that the Department of Education generally sends the school an application form. The funding starts on October 1 and runs through June 30. The school is regularly behind schedule.

Regent Williams asked if there was any way to expedite that process. Ms. Utsinger responded that she did not think it was a serious problem. She noted that the Department of Education has added a new person to assist in the effort.

Mr. Richey stated that the new administration in that program of the Department of Education has previously allocated funds to the Regents special schools when they were declared to be ineligible.

Ms. Utsinger agreed that Department of Education officials have been very good to the special schools.

Superintendent Thurman noted that the issue of cuts in Chapter I funding is a national issue, not an Iowa issue.

Regent Hatch said school districts receive notification in July of funds that will become available in August.

Superintendent Thurman said the special schools are notified of the range of funding to expect. If they were ever to lose the funding it would cause serious funding problems for the special schools. Much of the money is used for mainstream programs.

MOTION: Regent Berenstein moved to approve the Chapter I restricted fund program budget of $32,694, subject to program approval by the Department of Education. Regent Furgerson seconded the motion, and it carried unanimously.

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

EXECUTIVE SESSION. President Pomerantz requested the Board enter into closed session pursuant to the Code of Iowa Section 21.5(1)(c) in order to discuss a matter with counsel which is either in litigation or where litigation is imminent; Section 20.16(3) to conduct a strategy meeting of a public employer for collective bargaining; and, Section 21.5(1)(i) at the request of an employee whose performance is being considered.

MOTION: Regent Furgerson moved to enter into closed session. Regent Berenstein seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Fitzgibbon, Furgerson, Greig, Hatch, Pomerantz, Tyler, Westenfield, Williams.
NAY: None.
ABSENT: None.

The Board having voted at least two-thirds majority resolved to meet in closed session beginning at 4:29 p.m. on Wednesday, November 14, 1990, and arose therefrom at 6:15 p.m. on that same date.

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 6:15 p.m., on Wednesday, November 14, 1990.

R. Wayne Richey
Executive Director

The State Board of Regents met electronically on Monday, December 10, 1990. The following were in attendance:

Members of the State Board of Regents
- Mr. Pomerantz, President
- Mr. Berenstein (excused)
- Mr. Fitzgibbon
- Ms. Furgerson
- Mr. Greig
- Ms. Hatch
- Mr. Tyler
- Ms. Westenfield
- Mrs. Williams

Office of the State Board of Regents
- Executive Director Richey
- Director Gilchrist
- Minutes Secretary Briggle

State University of Iowa
- Treasurer True

Iowa State University
- Vice President Madden

University of Northern Iowa
- Vice President Conner

Iowa School for the Deaf
- Secretary Lindsley

Springsted, Inc.
- Mr. Anderson

Ahlers Law Firm
- Mr. Haynie
- Mr. Knopf

Nuveen and Company
- Mr. Petersen

Securities Corporation of Iowa
- Mr. Evans

STATE UNIVERSITY OF IOWA

The State Board of Regents held an electronic Board meeting on Monday, December 10, 1990, commencing at 9:23 a.m., in accordance with Section 21.8 of the Code of Iowa. The meeting was not held in person because it was not possible to have the Regents assemble in one location for this brief meeting. Each Regent in attendance was at a separate remote location. Public access was provided at the following locations.

> Regents Board Office, First Floor, Old Historical Building, Des Moines; Old Public Library Conference Room, University of Iowa, Iowa City; 125 Beardshear Hall, Iowa State University, Ames; 201 Gilchrist Hall, University of Northern Iowa, Cedar Falls; and Secretary to the Superintendent's Office, Main Administration Building, Iowa School for the Deaf, Council Bluffs.

The following business pertaining to the State University of Iowa was transacted.

CONVERSION OF $16.8 MILLION UNIVERSITY OF IOWA FACILITIES CORPORATION REVENUE BONDS, SERIES S.U.I. 1985A. The Board Office recommended the Board (1) receive a report on converting $16.8 million Variable Rate Demand Revenue Bonds, Series 1985A, to be converted to fixed rate as of January 2, 1991; and (2) subject to underwriting of the bonds at an acceptable fixed interest rate, adopt "A resolution authorizing proceeding with the conversion of the interest rate of $16.8 million University of Iowa Facilities Corporation Variable Rate Demand Revenue Bonds (Human Biology Research Facility Project), Series 1985A, from a variable interest rate to a fixed interest rate and with the remarketing of said bonds."

The variable rate bonds were issued in August 1985 for the Human Biology Research Facility project. Based on an estimated available fixed rate (in 1985) of 9.385 percent, interest savings of approximately $3 million have been realized to date. The spread between the all-in cost at variable rates and available fixed rates for the bonds has diminished substantially, especially since mid-1989.

In March the Board authorized the Executive Director and the University of Iowa to proceed with activities to effect the conversion of the variable rate bonds to fixed rate. Preparations were completed for a conversion of the bonds in June. The actual conversion was not completed at that time because the agreed-on net interest rate target of 7.25 percent could not be achieved.

The action anticipated to occur as a result of this meeting was intended to finalize the process initiated in March 1990. Substantial improvement in the market over the past six weeks offers a potential opportunity in which the Remarketing Agents believe the target rate can be achieved.

This meeting was scheduled in order to meet the prescribed time lines to take advantage of the next permitted conversion date (January 2, 1991). The actual offering of fixed rate bonds must occur early in the week of December 10.

The conversion process is a negotiated bond offering and preserves the pre-1986 tax law treatment of the bonds. Bond counsel has confirmed the transaction will not constitute a re-issuance.

The Resolution will give Board consent to the conversion if the target rate is achieved and authorize the Executive Director to take the necessary steps to permit the Corporation to complete the conversion.

Director Gilchrist stated that finalization of the process was anticipated in the next few days.

Mr. Anderson provided the Regents with the current status of the bond conversion process. Subsequent to last spring when all the activities necessary for converting the bonds occurred, interest rates moved around. Rates appear to be substantially better than they were last spring. The bond buyer index has decreased 50 points in the last 6 weeks. He felt that the 7.25 percent target interest rate should be available and that the 5 year call provision in the bonds was much less of a problem than it was last spring.

Mr. Haynie addressed the schedule of action proposed to accommodate the proposed bond conversion. The Board of Regents will at this meeting adopt a resolution. Remarketing rates will be set and will not exceed 7.25 percent net interest rate. John Petersen of Nuveen, Board Office staff and the University of Iowa Treasurer will attempt to set the remarketing rates within the limits. The Board of the University of Iowa Facilities Corporation will meet this afternoon. He said the resolution proposed for adoption by the Board at this meeting will authorize Mr. Richey and the Facilities Board to act in setting the fixed interest rate consistent with the market and at a maximum 7.25 percent net interest rate.

Mr. Anderson said 7.25 percent was the target. They will negotiate to try to achieve the lowest rate possible.

ACTION: The Regents adopted the proposed resolution by roll call vote, as follows:
AYE: Fitzgibbon, Furgerson, Greig, Hatch, Pomerantz, Tyler, Westenfield, Williams.
NAY: None.
ABSENT: Berenstein.

ADJOURNMENT. The electronic meeting of the State Board of Regents adjourned at 9:35 a.m. on Monday, December 10, 1990.

R. Wayne Richey
Executive Director