

The State Board of Regents met on Wednesday, October 18, 1989, at Iowa State University. The following were in attendance:

October 18

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	Arrived at 12:00 Noon
Ms. Westenfield	All sessions
Mrs. Williams	All sessions

Office of the State Board of Regents

Executive Director Richey	All sessions
Deputy Director Barak	All sessions
Director Carter	All sessions
Director Eisenhauer	All sessions
Director Volm	All sessions
Director Wright	All sessions
Compliance Officer Maxwell	All sessions
Assistant Director Kirker	All sessions
Assistant Director Peters	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
Acting Vice President Vernon	All sessions
Treasurer True	All sessions
Associate Vice President Small	All sessions
Assistant to President Mears	All sessions
Director Gibson	All sessions
Director Grady	All sessions
Acting Director Rhodes	All sessions

Iowa State University

President Eaton	All sessions
Executive Vice President McCandless	All sessions
Provost Glick	All sessions
Vice President Madden	All sessions
Treasurer Thompson	All sessions
Assistant to President Bradley	All sessions
Assistant to President Crawford	All sessions
Assistant Vice President Pickett	All sessions
Interim Director John Anderson	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
Director Geadelmann	All sessions
Director Chilcott	All sessions

Iowa School for the Deaf

Superintendent Johnson	All sessions
Business Manager Aherns	All sessions

Iowa Braille and Sight Saving School

Superintendent Thurman	All sessions
Director Hauser	All sessions

C O R R E C T E D

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday, October 18, 1989.

APPROVAL OF MINUTES OF BOARD MEETING, SEPTEMBER 20-21, 1989. The Board Office recommended the Board approve the September 1989 Minutes with the inclusion of strategies to support Regents Goal 13.

At the September Board meeting, Goal 13--Encourage cohesiveness and cooperation within the Regent system--was added to the list of Regent priorities for the 1990-1994 cycle. Strategies for the newly-added Goal 13 were developed collaboratively by the Board Office and institutional officials.

MOTION: Regent Fitzgibbon moved to approve the Minutes of the September 20-21, 1989, meeting with the inclusion of strategies to support Regents Goal 13. Regent Greig seconded the motion, and it carried unanimously (with Regent Tyler absent).

REPORT ON TUITION AND STUDENT HEALTH FEES The Board Office recommended the Board:

- (1) Adopt the policy that student health services will be self-supporting and phase-in will begin in Fiscal Year 1991.
- (2) Adopt the following tuition increases which include increases in mandatory student health fees at the University of Iowa and the University of Northern Iowa and the establishment of a mandatory student health fee at Iowa State University:

University of Iowa - 3 percent for resident and 4 percent for nonresident students plus a \$10 per semester mandatory student health fee (an aggregate increase of 4.1 percent for resident undergraduates and 4.3 percent nonresident undergraduates).

Iowa State University - 3 percent for resident and nonresident students plus a \$10 per semester mandatory student health fee (an aggregate increase of 4.1 percent for resident undergraduates and 3.3 percent for nonresident undergraduates).* The Board Office also proposed the

following supplemental recommendation: Authorize Iowa State University to offer an alternative voluntary student health fee of \$20 per semester to students in lieu of payment of \$20 per physician visit to Student Health Services.

University of Northern Iowa - 3 percent for resident and nonresident students plus a \$10 per semester mandatory student health fee; favorable consideration of a request by President Curris to make the undergraduate resident rate equal to that of the other two universities by adding \$8 per semester to that rate, with an aggregate increase of 5 percent for resident undergraduates and 3.4 percent for nonresident undergraduates.

* Rates for many ISU students now paying the voluntary student health fee of \$27 per semester, which is to be dropped, would be increased by less than 3 percent.

The proposed rates would become effective with the 1990 summer session.

CURRENT AND RECOMMENDED TUITION RATES FOR REGENT UNIVERSITIES

	<u>RESIDENT</u>		<u>NONRESIDENT</u>	
	Current 1989	Proposed 1990	Current 1989	Proposed 1990
University of Iowa				
Undergraduate	\$1,826	\$1,880	\$5,982	\$6,220
Graduate	2,162	2,226	6,236	6,484
Law	2,354	2,424	7,402	7,698
Medicine	5,752	5,924	14,760	15,350
Dentistry	4,140	4,264	11,534	11,994
Pharmacy	2,350	2,420	7,402	7,698
Iowa State University				
Undergraduate	\$1,826	\$1,880	\$5,982	\$6,160
Graduate	2,162	2,226	6,236	6,422
Veterinary Medicine	4,142	4,266	11,084	11,416
University of Northern Iowa				
Undergraduate	\$1,810	\$1,880	\$4,650	\$4,790
Graduate	2,010	2,070	5,126	5,280

(3) That at the time new tuition rates are adopted, an appropriate set-aside be made for student financial aid.

The combination of proposed increases in resident tuitions of 3 percent and 4 percent for nonresidents at the University of Iowa plus the proposed student

health fee of \$10 per semester will be well under the expected increase in the Consumer Price Index.

The proposed increase of 3 percent in tuition is based upon a significant increase in state appropriations for university educational services. The Board of Regents has requested a 15.1 percent increase in appropriations for operations and a total of \$117.7 million for capital projects.

The recommended increases in tuition at all three universities are about one-third of the expected growth in cost of educational services at the universities for next year.

Proposed tuition increases at the University of Iowa amount to a 3 percent increase for residents (\$27 per semester) and a 4 percent increase for nonresidents (\$119 per semester) plus a mandatory \$10 per semester student health service fee, an aggregate increase of 4.1 percent for resident undergraduates and 4.3 percent for nonresident undergraduates. The additional income is recommended for computerization and library services.

Recommended tuition increases amount to 3 percent for residents and nonresidents at Iowa State University plus an additional mandatory \$10 per semester student health fee, an aggregate increase of 4.1 percent for resident undergraduates and 3.3 percent for nonresident undergraduates. The additional income was recommended for improvements in computerization and libraries.

Recommended tuition increases at the University of Northern Iowa amount to 3 percent for residents and nonresidents plus a mandatory student health fee of \$10 per semester. University of Northern Iowa officials requested an additional \$8 per semester in tuition for resident undergraduates to make the rates identical to those at Iowa State University and University of Iowa. The increases will result in an aggregate increase of 5 percent for resident undergraduates and 3.4 percent for nonresident undergraduates. The additional income was recommended for improvements in computerization or libraries. The additional \$8 at University of Northern Iowa was recommended for improvement of educational programs.

The recommended \$10 per semester mandatory student health fee included in tuition will allow the institutions to begin the process of permitting access to basic health services for all students without sacrificing academic programs. Further, it will better ensure the provision of basic health services to all students.

A mandatory student health fee at Iowa State University will replace the current voluntary fee of \$27 per semester. Once the fee is fully phased in, there will have been a substantial reduction in fees charged for services.

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The mandatory student health fee at University of Iowa and University of Northern Iowa will be in addition to the current student activity fee for student health which is \$10.09 and \$3.50 per semester, respectively.

It was projected that the total student aid setaside at the University of Iowa will be \$11.6 million, at Iowa State University, \$7 million, and at the University of Northern Iowa, \$3.6 million. The percentage of educational costs borne by tuition and fees will decrease and will remain under 30 percent.

For the 12 months ending June 1989, the rate of inflation as measured by the Consumer Price Index was 5.2 percent.

Resident undergraduate tuition fees at the University of Iowa have been the lowest in the Big Ten for the last six years and would continue to be the lowest next year. In 1988-89, undergraduate resident tuition rates at all three Regent universities rank seventh in comparison with their 11-institution peer groups.

Mr. Richey stated the recommendation on tuition and mandatory student health fees has been discussed very broadly in the last month. The recommendation would provide \$4.1 million in additional funds while still leaving the institutions' tuition rates well below the average and, in the case of Iowa State University and University of Iowa, it would leave their rates as the lowest in the entire Midwest.

MOTION:

Regent Furgerson moved to approve the recommended action. Regent Williams seconded the motion.

President Eaton stated that several individuals from Iowa State University wished to speak on the issues. He stated that the university administration is very supportive of something along the line of what was proposed by the Board Office. They wish to keep the total cost of the two components as low as possible considering the last 3 years of substantial tuition increases. They also wish to protect those services that are currently available without jeopardizing the advocacy of services to students. He introduced Greg Brock and Thomas Thielen.

Mr. Brock stated that he found out late yesterday there was a supplemental Board Office recommendation. He requested the Regents not endorse the mandatory student health fee recommendation. He said the students of Iowa State University are willing to share the health care cost burden. He felt the Regents should approach the legislature and ask for funds for student health services.

Vice President Thielen said he would speak to the health fee issue. He said the goal to continue services and to assure access to affordable health care

is commendable. He said that many universities have funded student health services by charging prepaid semester fees. He said the Board Office recommendations fall just short of achieving affordable access, particularly at Iowa State University. He said he understood the concern for keeping costs as low as possible. Student leaders appreciate the affordability consideration given by the Board. This summer the Board asked each university to submit a proposal for making student health services self sufficient. Iowa State University officials requested \$27 as a mandatory charge for each student beginning in 1990. He went on to explain why the \$27 proposal would achieve all the Regents' goals at Iowa State University including low increase of tuition and fees and access to students. He said the \$27 fee is exactly what most students are currently paying. Forty-five percent of the Iowa State University students voluntarily pay the fee. Another 30 percent to 35 percent are paying at least that much for visiting the health center. He presented a comparison of out-of-pocket costs to students for a common illness according to whether they had paid a \$10 mandatory fee (= \$70 charge); a \$10 mandatory fee with a \$20 voluntary fee (= \$32 charge); or a \$27 mandatory fee (= \$32 charge).

Vice President Theilen said university officials wish to restructure the student health fee system in a way which is understandable for students. He said a mandatory fee encourages students to use the health services when they need it. The benefit to the university of establishing the mandatory \$27 student fee is to stabilize the budget. He stressed that university officials want a quality, accessible health program that is cost effective. He felt the more reasonable of the three options he presented would be the \$27 mandatory fee.

Regent Tyler stated that Vice President Theilen had said that 40 percent of the students are currently paying the voluntary fee. He noted that in a letter from President Eaton dated October 11, 1989, President Eaton said that more than 70 percent of the students were paying at least the \$27. Vice President Theilen stated the 70 percent figure includes the 30 percent to 35 percent of the students who pay the voluntary fee as well as the students who pay to visit the health service.

Regent Westenfield asked how many students at Iowa State University actually use the health services. Vice President Theilen responded that the figure is 75 percent to 80 percent of the students. The health center receives 45,000 patient visits per year.

Regent Williams said she understood that the first \$10 mandatory fee will be the first of a series of fee increases for health services. She asked for the plan for the future. Vice President Theilen responded that whatever option the Board chooses university officials hope the Board Office would recommend as being phased in in 3 to 4 years. Mr. Richey said he anticipated it would be a 3-year program to get where they were proposing to go.

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Regent Tyler expressed difficulty in understanding why the Board Office was recommending a \$10 mandatory fee when 70 percent of the students are already paying \$27. Mr. Richey responded that 43 percent of the students are paying the \$27/semester charge. He said it is impossible to fit the university's recommended \$27 mandatory fee within the expected rate of increase in the Consumer Price Index, which Board members mentioned last year as the maximum increase of tuition and mandatory health fees they would approve for Fiscal Year 1991.

President Pomerantz said there is a strong attitude on the Board to limit the total increase in the cost of going to school to around 4.1 percent. The Board Office approach was for a 3 percent tuition increase and to phase the total medical costs over 3 years so that ultimately the student health fee charge supports the medical services it provides. He noted that both the University of Iowa and Iowa State University have different approaches to funding student health services.

Regent Hatch said she felt there was a philosophical question as to whether or not the taxpayers should provide health care for students. She questioned whether the Regents institutions should continue providing student health services as if the state is serving as a parent. She felt the Board was now saying it was up to parents and students to provide a certain portion of those costs.

Regent Williams stated that as a member of the health study committee she felt it was the responsibility of the students to take care of their health as they would if they were not students at the universities. She did not believe the universities could continue to provide health care services but could make it easy for students to attain the health care they need. The students have been used to obtaining health care on campus; however, the costs have gone out of the roof and the universities cannot afford it any longer. She felt the Regents should take a strong stand in keeping tuition and health fees separate.

Vice President Theilen said he thought university officials agreed with the philosophy expressed by Regent Williams and that was why the mandatory health fee is to be charged directly back to the students. He said each student always has the option of obtaining medical services through the private sector. He said the only way they can afford accessibility is to take those funds across the entire university and not put the costs on the backs of those who get ill.

Regent Hatch asked if in three years the university's recommendation for a mandatory \$27 fee will make student health services self supporting. Vice President Theilen said Iowa State University officials feel it will make health services self-supporting.

Regent Greig expressed concern about "marketing" the \$10 mandatory and \$20 voluntary fees and the phasing of the program. Vice President Theilen agreed that getting the message to students can be difficult.

Vice President Thielen introduced Russ Gunther.

Mr. Gunther thanked Iowa State University officials for involving students in the student health fee discussion. They made a point to include the students in planning the university's proposal to the Board and allowed the students to respond to the proposal made by the Board Office. He said the proposed mandatory \$10 fee only addresses one-third of the student health center's budget. He felt the voluntary \$20 fee would be very difficult to market and fees for prescriptions, laboratory services and x-rays would have to be raised substantially to help cover the other two-thirds of the budget. With the adoption of the Board Office recommendation he felt they would lose the wellness center consultants including a dietician, gynecologist, and ear, nose and throat specialist. Right now those individuals perform services on a contract basis.

President Pomerantz stated it was the Board's understanding that no services would be lost with the adoption of the Board Office recommendation.

Mr. Gunther said it appeared that costs would be going up while coverage is going down. He felt that with the adoption of the 3-year phased program, three years from now the fee would have to be set at about \$40 instead of the university-recommended \$27 fee. In regard to the new proposal for the \$20 voluntary fee he expressed concern about the likely confusion of having two separate health fees. Also, revenues would still be unpredictable for the health center. He expressed concern for subjecting students to the complexities of this kind of proposed system and said the confusion can be avoided by a uniform mandatory fee.

President Pomerantz asked if there was a cut in service being proposed. Vice President Madden responded that, if the revenue estimates provided by the Board Office were correct, there would not be a need to cut services.

President Pomerantz said it was his understanding that the administration supports the Board Office recommendation including the supplemental recommendation for the \$20 voluntary fee. He asked if that was President Eaton's view. President Eaton said he is skeptical of numbers. His position is to try to keep the total of the two costs as low as possible without threatening the services. President Pomerantz asked specifically if President Eaton does or does not support the Board Office recommendation. President Eaton said the university wants to get out of the business of having to underwrite the cost of the health program. University officials would also like to keep the sum of the tuition increase and fee for health services to a reasonable number. He said he was gone during much of the last 5 days and had not gone through with an auditor the figures presented by the Board Office.

Mr. Richey stated the supplemental Board Office recommendation was made with the understanding that it was supported by the Iowa State University

administration. President Eaton said he was supportive of the concept and design.

Regent Berenstein questioned Vice President Thielen's presentation in light of President Eaton's comments. President Eaton stated that Vice President Thielen was restating the proposal university officials presented to the Board Office.

Regent Tyler said he did not think there would be as much difficulty in arriving at an acceptable resolution to this issue if they were not trying to get it all accomplished within the 4.1 percent limit. President Pomerantz stated that as far as he was concerned 4.1 percent is the maximum he would vote for. If the universities do not have enough money for operating student health services from those designated revenues, they could take the balance out of tuition increases until they have enough mandatory fees to cover the costs.

Iowa State University student Aaron Koch said he was at first somewhat confused about the issue and did not want to see a \$27 mandatory fee implemented. However, after discovering all the benefits to the mandatory fee he decided that was what he wanted to propose for the students to support. He said students cannot afford to pay a lot of out-of-pocket costs for health care. With the adoption of the recommended \$10 mandatory fee and \$20 voluntary fee, the students who do not opt to pay the \$20 fee will have to pay a \$20 office fee each time they visit the health services plus some increased fees for services. He noted that the voluntary fees would not be covered by financial aid but the proposed \$27 mandatory fee would be covered by financial aid.

Lance Eveland stated that he is an intern working for the Iowa State University student health services through the wellness center. He said Iowa State University is unique among the three Regent universities in terms of the wellness emphasis on health care. Wellness education is provided in three areas: nutrition, exercise and stress management. He said it was his understanding that if they do not have the mandatory \$27 fee the wellness services would be in jeopardy. He said many businesses recognize the importance of wellness and provide wellness centers for their employees. The Wellness Center has grown from a small brainchild into an established part of the student health center.

Vice President Madden said he was one of the administrators who discussed the voluntary \$20 fee with Mr. Richey and indicated the supplemental proposal would work financially if the number of patient visits remains constant and generates the same revenues. He said the supplemental recommendation brings some increased administrative efforts in the collection of the voluntary fee.

President Pomerantz asked if Vice President Madden was saying the proposal was workable without a diminution of services. Vice President Madden responded

that if the revenues are not reduced below what they have been, then based on their best calculations of the activity level, Iowa State University officials believe the recommendation is a financially workable arrangement. The difficulty students have had is that information does not get to everyone as quickly as desirable.

Regent Hatch asked if a student who pays the \$10 mandatory health fee would have access to the wellness center. Mr. Eveland said the wellness services would be available to everyone. Their goal was to maintain the service at no extra cost to students.

Regent Williams stated it should be noted that if the \$27 mandatory fee were implemented that total increase in one year in the cost of college for Iowa State University students would be 6 percent. She said that is the issue the Board of Regents is wrestling with. They want to provide the services but also wish to be sensitive to the needs of the students.

Regent Fitzgibbon said he felt the issue could be cleared up if the Regents had the "white" institutional exhibits included in their docket books instead of just receiving the "green" Board Office sheets in order to be informed ahead of time on institutional requests. He asked that the Board members resume receiving university information. President Pomerantz said Regent Fitzgibbon would be sent the "white" sheets.

Regent Berenstein said the Regents were getting different signals from the university administration and Vice President Theilen. Vice President Theilen stated that he was trying to lay out three options and was not trying to push one option.

President Curris introduced two University of Northern Iowa students: Lisa Raine and David Boyer.

Ms. Raine stated that last month several students made presentations regarding the tuition and student health fee issues. At that time the proposal was for a higher tuition increase. She said the presentations made it quite evident there was a new unity among students. Students made a clear effort to speak out against excessive, arbitrary tuition increases. Nearly one month has passed and during that one month the tuition increase recommendation has been reduced. She said she believed that reduction came about because of the many individuals who raised their voices in September. The new proposal for consideration is for the University of Northern Iowa tuition to increase 3.9 percent in order to equalize tuition among the three Regent universities. She said the intention within the new proposal to keep increases within the range of the consumer price index can be applauded. However, she felt there was still not enough being done to meet the financial burden of students. She referred to a letter dated September 29, 1989, from State Representative Donald Avenson to President Pomerantz in which Representative Avenson expressed concern for the increasing costs to students. Mr. Avenson said the

Regent universities needed to reduce their reliance on tuition revenues. She requested that the Regents, on behalf of all students, cash in on Mr. Avenson's offer for legislative assistance in providing revenues to the universities. She noted that an article in the Des Moines Register stated that legislators would be proposing a one-year tuition freeze for the Regent universities.

Ms. Raine asked that the Board accept a 4 percent overall increase in costs to students, with 1 percent earmarked for student health services contingent upon receiving financial support for student health services from the legislature.

Mr. Boyer thanked the Board of Regents for the opportunity to speak on the tuition increase and health fees in their aggregate form. He supported the Board's desire to keep the cost of college below the Consumer Price Index and Ms. Raine's suggestion about approaching the legislature for assistance in addressing health services and instituting a tuition freeze. He referred to the Board Office recommendation to give favorable consideration to President Curris' tuition gap closure request. He said he briefly discussed that issue last month and suggested the Board lower the tuition of the other two Regent universities since University of Northern Iowa students have come up with 75 percent of the difference. He expressed concern that the gap was being perceived as affecting the quality of education at University of Northern Iowa. The students do not agree with the perception. University of Northern Iowa is at record enrollment. The students see University of Northern Iowa as a top-notch university that is a leader in its class. In comparing tuition prices with the other two Regent universities he said they should consider University of Northern Iowa a bargain and more accessible. He urged the Regents to keep the tuition where it is and not close the gap.

Mr. Boyer said the students had presented a proposal to allow state legislative leaders to come up with the funding they say they can come up with to ease the burden on students. That proposal is for a 1 percent increase in tuition as a set aside specifically for student health services in case the legislature reneges. He felt it would be a remarkable opportunity for the students to work in cooperation with the Board of Regents in lobbying efforts.

Regent Hatch asked if Mr. Boyer really believes the tax payers of Iowa are responsible for his health care. Mr. Boyer responded that he believes the university has an obligation to support a certain portion of students' health care costs, although he admitted there may be a limit to what is economically feasible. He said the state should continue to support a certain portion of health care costs. If more money is needed for student health care costs beyond what is appropriated then the students could assist. He said the current level of general education funds that support student health services should remain the same. He said the state has made a commitment to students and expressed a desire to relieve students' financial burdens.

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Regent Williams noted that Mr. Boyer had suggested the Board of Regents set tuition contingent upon legislative action. She said she personally felt that to do so would be a very dangerous position to take. The role of the Board of Regents is to set policy that relates to tuition and other costs to the students on an annual basis. The Board of Regents is uniquely qualified for this. They do not have other priorities such as other state agencies to consider. She felt very uncomfortable with that approach and said that if the political winds shifted the legislative support one year may not be there the next year.

Mr. Boyer stated that if the Board of Regents approves a 4 percent tuition increase with a one percent set aside for health fee and the state decides to renege on its support, they would have the set aside with which to support student health services. Also, by taking action to approve the students' recommendation he said the Board would not have made a dangerous precedent of establishing student fees for non-academic purposes. Mr. Boyer said the legislative option is a viable option and would not reduce the responsibility of the Board of Regents. President Pomerantz said the Board would consider it.

President Rawlings introduced Jenö Berta.

Mr. Berta stated the students were making a plea to function with the Board of Regents as a team. Their proposal is for a 4 percent tuition increase with 1 percent set aside for student health services contingent upon legislative action. He said their job is to advocate for the betterment of education and the accessibility of students. The students were presenting a way to realistically address accessibility. The cost of higher education has skyrocketed. He referred to the number of people in the room and suggested their numbers could make them effective in working together to lobby the legislature. He noted that if there was an AP poll for states committed to higher education, Iowa would be a national contender.

Regent Tyler thanked President Pomerantz for delaying discussion of tuition and health fees until that afternoon to allow for full participation of the Board of Regents. He noted that two of the current Regents were on the Board when they began the three years of double-digit salary increases. He said the Regents were led to believe, for 3 years in a row, that the legislature would fulfill its obligations to higher education in Iowa. He has not seen that happen. He agreed with the students' suggestions to try to get the legislature to fulfill its obligation to higher education, but said he did not have all that much faith in that happening. He hoped this would be the year that would happen but said he did not like getting boxed in. He noted that the statement had been made that the cost of college should not exceed the Consumer Price Index. He thought the index was at 5.2 percent and, therefore, could not understand where the 4.1 percent figure came from. He said that six weeks ago it was going to take a 4.27 percent increase in tuition to have

enough funds for the 3 universities and now that number has dropped to 3.1 percent. He was having a hard time understanding the figures.

Regent Williams stated that she does have some faith in the legislature. The legislators say they are ready to do a better job of funding higher education and specifically the Regent institutions. She said the Regents must assure they are doing their part in terms of tuition policy. The burden of the cost of higher education must be shared by the students and the public. They must establish a policy by which students can expect to pay a certain percentage of the cost and the same with the legislature. She said last month's recommendation was for a 7 percent total increase. In the ensuing month staff had discussions and determined that 7 percent may be excessive and that they should phase in the health fee and reduce tuition. This would give the legislature an opportunity to share the responsibility for financing public higher education. The Regents feel the student should only pay that part of the cost they are able to pay which she said is reflected in the change in the Board Office recommendation. She applauded the Board Office for the change.

Regent Westenfield asked for the other Regents' reasons for not endorsing a 4 percent tuition increase with 1 percent earmarked for the health fee. Regent Williams responded that it was a basic philosophical issue. She said she was on the committee that studied the health care issue. She stressed that tuition and health fees need to be separated. Across the country that has been done. Financial aid can be applied to health fees. She felt it was important that the public knows exactly where they have to raise fees, and health services are adjunct services. Regent Hatch said she agreed with Regent Williams' comments.

Regent Berenstein said he intended to support the Board Office proposal because he felt it was the best solution. He suggested that in the future the Board consider: 1) philosophically whether the health fee should be part of tuition or separate and 2) the next time they discuss this subject the Board Office and the universities' proposals be presented in a clear manner.

Regent Furgerson said she would also support the Board Office recommendation but hoped Regent Berenstein's suggestion was taken seriously.

VOTE ON THE MOTION: The motion carried with Regents Tyler and Westenfield voting "no".

ANNUAL REPORT ON STUDENT FINANCIAL AID. The Board Office recommended the Board receive the Annual Report on Student Aid, 1988-89.

A total of 48,385 students were served by financial aid programs at Regent institutions during 1988-89. This total is an unduplicated headcount, which counts each student once. Seventy-six percent of those students were undergraduates.

At Regent institutions during 1988-89, a total of 25,397 students received grant or scholarship assistance; 24,703 students received loans; 25,392 students were employed by the institutions. Approximately \$220,308,416 in student financial aid was provided to students at Regent Universities in 1989. The average aid award for each Full-Time Equivalent student was \$3,806. State awards in 1988-89 were \$4,266,532 compared with \$3,834,354 in 1987-88.

Federal Non-Institutionally Controlled awards in 1988-89 were \$94,920,280 compared with \$85,575,263 in 1987-88. Federal Institutionally Controlled awards in 1988-89 were \$11,897,940 compared with \$11,766,215 in 1987-88. Institution awards in 1988-89 were \$109,223,664 compared with \$96,489,143 in 1987-88. Federal veterans programs provided approximately \$2,533,900 for 939 veterans.

Institutional financial aid from tuition setaside funds went primarily to students who were Iowa residents.

Foreign students represented about 15 percent of undergraduate and 50 percent of graduate nonresident students who received aid. Foreign students received \$15,282,906 in financial aid.

Fewer Asian, Hispanic, and American Indian students received aid than black students. A higher percent of black nonresident students received aid than black resident students. Black resident students received \$2,789,056 and black nonresident students received \$6,117,276. A high percent of students receiving aid were caucasian. The percent was lowest in the graduate nonresident category.

Regent Greig stated that he did not consider a student loan as financial aid. He questioned how loans are counted in the total financial aid data. Assistant Director Kirker responded that financial aid data includes loans, grants fee waivers and work study employment.

Regent Greig asked if all part-time work is considered aid. Assistant Director Kirker responded that the figures would include financial aid that is institutionally controlled. Mr. Richey said the employment portion of the figure includes work study and other student employment, whether or not there is a need.

Regent Fitzgibbon asked where that figure is compared to 5 years ago. Mr. Richey responded that staff would have to add that up.

Regent Williams said she would be interested in seeing a reporting form that tracks those different types of aid. She said it is also important for the Regents to know the amount of aid based on financial need and aid based on academic performance. She noted that she has asked at previous meetings how much money is distributed for purely academic award versus other types of scholarships.

ACTION: President Pomerantz stated the Board received the Annual Report on Student Aid, 1988-89, by general consent.

President Pomerantz referred to the earthquake in San Francisco the previous night, and asked President Eaton to share his views on the disaster, which he did.

REPORT ON ORGANIZATIONAL AUDITS. (a) Unnecessary Duplication in Targeted Areas. The Board Office recommended the Board approve the Board Office recommendations on unnecessary program duplication for the five "targeted programs."

This report addresses the Peat Marwick (KPMG) recommendations for the five targeted programs identified as being unnecessarily duplicative (i.e., Business, Journalism, Home Economics, Engineering, and Education).

The Board Office recommendations are the result of a Board Office study of the KPMG recommendations and written materials and oral presentations by the Regent universities.

Director Barak presented the Board Office recommendations to the Board.

The program in Home Economics at the University of Iowa should be eliminated as suggested by Peat Marwick. The undergraduate program in Home Economics at the University of Northern Iowa should not be dropped. The graduate program should be eliminated and further studies should be done of the University of Northern Iowa undergraduate program to ascertain if it needs to have as many different specializations as it currently has. Iowa State University would continue both its undergraduate and graduate programs in Home Economics as recommended by Peat Marwick.

Contrary to the recommendations of Peat Marwick Main, Inc., that the program in Journalism at Iowa State University should be eliminated, the Board Office recommended that the undergraduate program at Iowa State University should be continued with a strong emphasis on science and technology and be offered as a double major or with a specialized concentration in another area of 24 or more credits.

The Journalism programs in Engineering, Agriculture, and Family and Consumer Science should be merged and relocated to the College of Science and Humanities. Telecommunication Arts should be merged with the programs in Journalism.

The Board staff agreed with the Peat Marwick recommendations that the Materials Engineering program be dropped at the University of Iowa and that the name of the Chemical and Materials Department be changed to Chemical and Biochemical Engineering to reflect the changing directions of the program.

The staff disagreed with the consultants, however, with respect to Industrial Engineering at Iowa State University. The staff recommended that the Industrial Engineering program at Iowa State University not be dropped but be continued with a new focus on Manufacturing Engineering and that the programs offered in that department that duplicated those in the Business Management program at Iowa State University be eliminated.

The Board staff recommended that eight doctoral programs in Education be dropped at the three universities including three doctoral programs in Education at Iowa State University, three of the six programs in doctoral Education at the University of Northern Iowa, and two doctoral programs in Education at the University of Iowa.

Ph.Ds in Early Childhood and in Continuing Education should be discontinued at the University of Iowa. The staff agreed with the recommendation of Peat Marwick that the University of Iowa reduce the scope of its undergraduate programs in Elementary and Secondary Education.

Iowa State University would eliminate three doctoral programs and would retain four. The programs to be eliminated would be in Counselor Education, Historical, Philosophical and Comparable Studies, and Research and Evaluation. The graduate programs in Industrial Technology would be studied and possibly restructured with vocational programs. The doctoral programs in Educational Administration and Higher Education would be retained and the program in Curriculum and Institutional Technology would be retained but refocused on Instructional Technology and Science Education. Iowa State University would also retain its doctoral programs in Adult and Extension Education in Home Economics Education and Agricultural Education.

Mr. Richey stated there was a comment by one of the journalism consultants that suggested the Board Office did not look at the minors in journalism as suggested by the consultants. The Board Office held extensive consultation with University of Northern Iowa officials and concluded the minors in journalism were of significant benefit and recommended they not be changed.

Regent Hatch asked for clarification regarding the Iowa State University industrial education and technology program which was targeted for elimination. She asked if the recommendation was to retain the technology program but a teaching certificate in industrial education would no longer be possible at the undergraduate level. Director Barak said that was correct.

Provost Glick expressed appreciation to the Board Office staff for working with university officials to address the refocusing issue while protecting their ability to serve the student body.

MOTION:

Regent Greig moved to approve the Board Office recommendations on unnecessary program

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Journalism department. The Board Office recommendations also included the dropping of the program title and redirecting the focus of Leisure Studies at Iowa State University and the changing of the program title of Leisure Studies at the University of Northern Iowa to reflect its major focus in Recreation Studies.

The Linguistics program at the University of Iowa, the Music program at the University of Iowa, the Radio/TV/Broadcasting program at the University of Iowa and the University of Northern Iowa, and the Speech Pathology/Audiology programs at the University of Iowa and the University of Northern Iowa were recommended to be retained.

The Fine Arts programs at the University of Iowa was recommended for retention with a major emphasis on Fine Arts, at Iowa State University the Fine Arts program is to be retained with a major emphasis on Applied Arts, and at the University of Northern Iowa the Fine Arts program is retained with the major emphasis in Art Education.

Director Barak asked that the Board act on the recommendations at this meeting. He said the institutional officials were in agreement with the procedure.

Regent Williams expressed concern about the recommendations regarding fine arts. She asked university officials if an emphasis on fine arts at the University of Iowa would eliminate the teaching of fiber arts. She was concerned about depriving students of that experience because of a definition. She added that she had the same concerns about the recommendations for the other 2 Regent universities in the fine arts area.

Vice President Vernon stated the fiber arts course has been offered in the home economics department. In the last 10 minutes the Board took action to drop home economics. The teacher of the fiber arts course is retiring after this year. He said fiber arts has nothing to do with the emphasis on fine arts and he did not think the emphasis on fine arts will change anything in the school of fine arts. Their fine arts program now includes some applied arts and education.

Provost Glick stated that at Iowa State University applied arts includes interior design and graphic design which is a strength at the university. He said it is also true that applied arts only exists in the presence of fine art. He felt that the faculty in the College of Design feel strongly that they need to have a Masters degree in both the fine arts and applied arts. He said university officials would appreciate it if the Board would not foreclose revisiting the issue at some later time.

President Curris said the state of Iowa is fortunate to have 3 universities in the public sector with strong programs in the arts. University of Northern Iowa has an exciting and growing undergraduate arts program. University

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officials endorse the recommendation to place the University of Northern Iowa emphasis on art education. He noted that at the undergraduate level any art major or prospective art teacher must be versed in all areas of the field.

Regent Berenstein asked that university officials pay special attention to the language in the report.

President Pomerantz noted that the attitude among the universities' officials is to go ahead and take action today, recognizing that if there are strong objections they could reopen the matter. He felt there were strong feelings on the part of the institutions to complete the duplication issues at this meeting.

Regent Fitzgibbon expressed concern that he had not had enough opportunity to thoroughly review the recommendations and had not received any input from the universities.

Regent Williams said she could understand the desire of university officials to move on with this and to get back to what they do. She said the duplication issue has been inflated to the point where it is very hard for them to progress with anything.

Vice President Vernon stated that as far as he knew no one on the University of Iowa campus had expressed any problem with the recommendations. It was his understanding that if the Board acts at this meeting someone who wished to speak to the Board at a later time could do so.

Regent Fitzgibbon said he would like to know more about it. Regent Hatch said she would like to hear the compelling reasons for acting at this meeting instead of delaying until November.

Provost Glick said Iowa State University officials would prefer moving forward. University officials received no comments from the affected departments. They are interested in implementing some of the recommendations particularly relating to both resource and quality problems. Approval of the recommendations at this meeting would put the "ball" back in the university's "court" to solve those problems.

President Curris said there were no compelling reasons at the University of Northern Iowa for the Regents to deal with the matter at this meeting. Their point of view as they approach the end of this intensive process is the sooner we end the process and move on, the better. University officials would like to wrap up this chapter of the university's history.

President Curris stated that one program recommended for elimination at University of Northern Iowa was the undergraduate and Masters program in linguistics. The faculty in the Department of English Literature and Languages would prefer to maintain both the TESOL and the linguistics programs

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in order to have a comprehensive program in English. The position of the university administration is that the consultants are correct in their judgment. The university's strength is in TESOL. In fairness to the faculty he said he wanted to call their concern to the Board's attention.

President Pomerantz stated that since two Regents preferred to defer action on this matter that is what they will do.

President Pomerantz stated that he assumed the recommendations on these final targeted areas will be ratified by the Board of Regents next month. In light of that, he stated that this is the beginning of a process, not the end. He said the people of Iowa should know that the Regents have taken great pains to determine the level of duplication at its public universities. They have in-depth studied their institutions of higher education in a way that is perhaps unique to the United States. They have been very thorough and came down with relatively few unnecessarily duplicative programs. He cautioned that should not detract from the significant effort; an effort which caused the universities to update their own strategic plans. The issues were of duplication and excellence. The Regents are confident in the fact that they are not wasting resources. There is a trade off between excellence and accessibility which requires support of the people. He felt the people of the state will, in fact, pay for excellence. Excellence will be the goal of the universities. The Regents' goal is for the University of Iowa to be in the top 10 public universities in the nation, for Iowa State University to be the best land grant institution in the nation, and for the University of Northern Iowa to be one of the best 4-year universities in the nation. He said he wished to make it clear that the Regents subscribe to that goal and are committed to that goal. Hopefully, the people of Iowa, through the legislature and the Governor, will ensure the lofty goals are achieved.

In regard to the current level of quality, President Pomerantz said it pays tribute to the fact Iowa already has three good public universities, which the Regents hope to make better. The Regents are committed to a level of quality the people of Iowa will support. The Regents' consultants reviewed 35 areas and many of the recommendations have been implemented. There will always be new and important areas that need to be considered and reviewed. Built into this process is university review, interinstitutional review and Board of Regents policies.

President Pomerantz said the universities' officials understand the importance of articulation. It is important for a student, for example, who receives an undergraduate degree from University of Northern Iowa in Home Economics and who then wishes to pursue a Masters degree at Iowa State University, to not be found in need of a number of graduate programs for entry into the Master's program. He stressed it was very clear that there needs to be a lot of discussion in terms of what is being offered and what is the next step for an Iowa student.

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ACTION: President Pomerantz stated the Board, by general consent, deferred action on the recommendations of the Board Office regarding the potentially duplicative academic programs in Graduate and Specialized Liberal Arts.

(c) Financial Management and Reporting Plan. The Board Office recommended the Board approve the calendar of reports and implementation plan in response to the final consultant's report on Financial and Management Reporting.

The purpose of the consultant's report was to provide a broad overview of the types of reports that are needed by the Board for the successful oversight of Regent institutions and to identify other changes which should be made in current reporting practices. A detailed summary of the consultant's report was made to the Board last spring.

At present, more than 132 separate reports are received by the Board each year. The nature of the reporting currently submitted to the Board varies from transaction-level, operational reports on such items as capital project expenditures, to higher-level analytical reports on enrollment or program trends.

The report contained eight general recommendations relating to the elimination, consolidation or continuation of current Board reports. It was suggested that the Board should standardize reporting calendars to cluster similar reports and allow focused review of key areas.

A proposed calendar of reports was developed by the Board Office in accordance with the consultant's recommendations and submitted to Regents. The Board will also meet as the University of Iowa Hospitals and Clinics Board of Trustees four times during the year.

MOTION: Regent Furgerson moved to approve the calendar of reports and implementation plan in response to the final consultant's report on Financial and Management Reporting. Regent Williams seconded the motion.

Regent Furgerson asked if this would become part of the Procedural Guide. Mr. Richey said it would if the Board would like it to. Regent Furgerson said she preferred to have this information in the Procedural Guide.

Regent Williams complimented the Board Office staff and institutional officials on the effort. She said standardization of reporting has been a concern to her.

VOTE ON THE MOTION: The motion carried unanimously (with Regent Tyler absent).

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Regent Greig said he thought it was a shame that so many people had to stand up at the back of the room that morning. He asked that in the future, Regents meetings held at Iowa State University be held at the Scheman Center. Provost Glick said that can be done.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. The Board Office recommended the Board (1) receive the annual report of the Regents Registrars and Admission Officers Coordination Committee, (2) request that the Regents Registrars and Admissions Officers Coordination Committee provide the Board with additional information regarding several of its activities, and (3) receive the post-audit reports and approve the continuation of the programs.

The post-audit report in Biological/Pre-Medical Illustration was reviewed and recommended for receipt by the Board. Continuation of the program was recommended pending a study being conducted by the university.

The post-audit report on Religious Studies was reviewed and recommended for receipt by the Board. The program was recommended for continuance.

The post-audit report on the M.S. and Ph.D. degrees in Applied Physics was recommended for receipt by the Board. The program was recommended for continuance.

The Board Office recommended the Board request the Committee submit a report on the policy statement it has developed regarding the residency of students who live outside Iowa while in the joint custody of divorced parents.

The Board Office recommended the Board request the Committee submit a report on the policies, practices and procedures being developed to comply with provisions of House File 499, relating to enrollment of high school students in college credit classes, and payment of tuition and fees by the high school.

The "Regents transfer student admission poster/brochure" requested by the Board a year ago is still being developed. A report should be prepared to see if there are problems in its development.

MOTION:

Regent Furgerson moved to (1) receive the annual report of the Regents Registrars and Admission Officers Coordination Committee, (2) request that the Regents Registrars and Admissions Officers Coordination Committee provide the Board with additional information regarding several of its activities, and (3) receive the post-audit reports and approve the continuation of the programs. Regent Williams seconded the motion, and it carried unanimously (with Regent Tyler absent).

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ARTICULATION. The Board Office recommended the Board approve the establishment of a committee on articulation to serve in an advisory capacity to the Board of Regents and the Regents Committee on Educational Relations.

In spite of the many on-going articulation activities, there is a continuing need to strengthen the articulation efforts between Iowa's community colleges and the Regent universities.

It was proposed that an advisory group on articulation be established which reports to the Board of Regents and the Regents Committee on Educational Relations. The advisory group is to be charged with the task of providing decision support information to its responsible parties on the best course of action to follow to ensure strengthened articulation between the Regent universities and area colleges.

The proposed composition of the group includes members of the Regents Committee on Educational Relations (RCER), appointed ex-officio, the current RCER chair as chair of the new group, and appointees from the Department of Education, area schools, secondary schools (public and private), independent schools, and proprietary schools (when and if appropriate).

MOTION: Regent Williams moved to approve the establishment of a committee on articulation to serve in an advisory capacity to the Board of Regents and the Committee on Educational Coordination. Regent Hatch seconded the motion, and it carried unanimously (with Regent Tyler absent).

ANNUAL ENROLLMENT REPORT, PART I. The Board Office recommended the Board receive the Annual Enrollment Report, Part I.

Despite a national decline in the number of high school graduates, nationwide postsecondary enrollments are expected to increase 2 percent in 1989 from 2.8 million to 3.1 million. Increasing postsecondary education participation rates by high school graduates and increased numbers of older, non-traditional students are offsetting the decline in high school graduates.

The percentage of Iowa high school graduates choosing postsecondary education over other post-high school options has steadily increased from 54 percent in 1980 to 64 percent in 1987.

Regents universities total headcount enrollment is essentially unchanged. Losses at the University of Iowa (-346, -1.2 percent) are offset by gains at the University of Northern Iowa (+365, +3.2 percent). Iowa State University showed a very small gain of 41 students (+.2 percent). Regents total headcount for Fall 1989 is 66210 (+60, +.09 percent).

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Gains at the University of Northern Iowa were expected after the lifting of the enrollment cap. FTE gains and losses showed the same institutional patterns as headcount, though were more moderate. Overall total Regents' university FTE's were 58,059 (+176, +.3 percent). Gains and losses in headcount were accounted for primarily in the freshman classes.

The percentage of nonresidents enrolled at the University of Iowa and the University of Northern Iowa is stable, but Iowa State University continues its recent pattern of small year-to-year declines in the percentage of nonresidents enrolled.

On-campus enrollments at the Iowa School for the Deaf are up 12 percent, from 108 to 121. Another 37 are enrolled through outreach programs. Enrollments at the Iowa Braille and Sight Saving School are also up 18 percent, from 55 to 65.

Mr. Via of the Board Office reviewed the enrollment information with the Regents.

President Pomerantz encouraged the universities to be aggressive in their marketing efforts.

ACTION: President Pomerantz stated the Board received the Annual Enrollment Report, Part I, by general consent.

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

A major portion of the meeting was devoted to a discussion of two items: a statement for presentation to the Legislative Higher Education Task Force and a major program change at Iowa Lakes Community College that involves a proprietary school. A statement was approved for the Legislative Higher Education Task Force, and the community college matter will be considered in November when representatives from the two groups involved can be present to discuss the issue.

Regent Williams stated that a committee of the Coordinating Council prepared a response to the Legislative Higher Education Task Force recommendations which was delivered to the Task Force by Dave Bittner last Friday. In regard to the proposed Bachelor's degree program in Soviet and Eastern European Studies at the University of Iowa, she said no one from the university was at the meeting to discuss the program.

Vice President Vernon apologized and said he did not know the program was a topic on the Council's agenda. Regent Williams asked whether he was receiving

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the Council's materials. Vice President Vernon said he was not sure if he receives the Council's materials.

Regent Williams stated the Way Up 7 Conference is being held November 3-4 at the Hotel Fort Des Moines. She urged those who could to attend because it is and uplifting, exciting meeting.

President Pomerantz noted that the Iowa Coordinating Council established a committee on the promotion of higher education.

ACTION: President Pomerantz stated the Board received the report on the October meeting of the Iowa Coordinating Council for Post-High School Education by general consent.

LEGISLATIVE TASK FORCE ON HIGHER EDUCATION. The Board Office recommended the Board adopt the report and proposed Board Office recommendations on the preliminary report of the Legislative Higher Education Task Force.

The Legislative Higher Education Task Force met in August at Lake Okoboji to draft its preliminary report. This docket item addresses the specific recommendations contained in the preliminary report. The report will be subject to a number of hearings around the state of Iowa. The Board Office recommendations were based on responses from the three universities and the two special schools.

MOTION: Regent Westenfield moved to adopt the report and proposed Board Office recommendations on the preliminary report of the Legislative Higher Education Task Force. Regent Greig seconded the motion.

Regent Furgerson expressed concern about the recommendation to reduce tuition charges at the community colleges. She said they must look at education as a continuum. If students do not graduate from high school they will not get to post-secondary education. There needs to be a commitment to education across the board in this state.

Regent Greig said he agreed with Regent Furgerson's comments. The community colleges have lots of advantages. He said the total funds needs looked at.

Regent Hatch referred to the recommendation concerning deferred maintenance and said she was pleased that the task force recommends legislative assistance in order to accomplish the task. She then referred to the recommendation to "Develop institutional policies concerning conflict of interest and commitment, and technology transfer." She said the whole field of technology transfer and the attendant ethical policy decisions have been emerging in higher education. The Regents need to consider a strategic planning group to

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look at the problems' involved in this field. The University of Iowa Faculty Senate addressed this topic at a seminar last spring which pointed up issues the Regents need to take a proactive stance on.

Regent Furgerson expressed appreciation for the Board Office recommendation concerning the special schools. She said the K-12 public schools and the community colleges each have their own governing boards. With the task force's recommendation the regulating group would also become the governing board.

Regent Berenstein stated for the record that if there is going to be a graduate center in Sioux City there are many problems that have to be addressed in the very preliminary stages of planning. They should look to the Quad Cities graduate center for ideas. He said he agreed there should be a graduate center in Sioux City but there are many problems that need addressed prior to implementation. In regard to the concept of a super board, Regent Berenstein asked for some of the thoughts that went into that recommendation.

President Pomerantz stated that he had recently testified at a hearing of the Legislative Task Force in Des Moines. The point he made was that the Regents were not in favor of a super board or the recommendation concerning membership on the board. He stressed that the Regents were very much opposed to the concept or to changing the governance for the three Regent universities and the two special schools. Nevertheless, he said the super board recommendation is still being discussed. Mr. Richey said the Board of Regents considered this issue about a year ago.

Regent Williams asked that Mr. Richey explain the process of the Peat Marwick and the Governor's studies. Mr. Richey stated that the testimony given by President Pomerantz at the recent Legislative Task Force hearing was based on the Board's concern a year ago with respect to the issue of a statewide council. The proposal of one year ago related to the issue of statewide strategic planning and would involve a council established by Governor's executive order. That council would have developed a strategic plan with the help of outside consultants.

Regent Berenstein said it seemed to him that if the super board recommendation was adopted it would just be another layer of bureaucracy and would not accomplish anything.

Regent Fitzgibbon stated that in his reading of the Task Force's recommendation for a super board, it would be more than just another layer of bureaucracy; it would eliminate the Board of Regents. The new board would be responsible for budgeting and planning. He noted that during a previous meeting of the Board of Regents which was held in Cedar Falls the Board had a very heated discussion about the prospect of a super board and the Board went on record in opposition to such a board.

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Regent Williams said it was important to distinguish between the Legislative Task Force's proposal for a super board and the proposal that came out of the Governor's study. The most-recent proposal has much more far-reaching implications to the Board of Regents' governance responsibilities. She referred to the recommended responsibilities for the new board as outlined in the Board Office docket memorandum and said that is a pretty big "ball game". She said the Governor's proposal was much different, and suggested the newly-appointed Regents be provided with a copy of the Governor's proposal.

Regent Hatch referred to the proposed cost of \$500,000 per year for the new board and an executive director, and said it was a lot of money.

Regent Fitzgibbon asked what action the Board of Regents can take. President Pomerantz suggested the action would be adoption of the Board Office recommended response to the Task Force's recommendations, along with the Board of Regents' lobbying forces.

Regent Fitzgibbon said they need a concerted effort -- something much stronger than they have ever made. He felt the endorsement of the response to the recommendations was fine but they needed to go much further and to set up a plan of attack. Regent Williams said she would be comfortable having the Regent institutional staffs work in concert with the Board Office in this effort.

Regent Berenstein asked for input from the universities.

President Rawlings stated that the Colorado Commission on Higher Education has become much more powerful than it was originally intended due to legislative changes. It has even become difficult to get people to serve on the board of regents because they feel they are not effective. He said that in Iowa higher education has been depoliticized to a great extent and it is important to keep it that way.

President Curris stated that at the Legislative Task Force hearing in Cedar Falls last week he made comments to the hearing panel about how he personally felt. He noted that he was pleased to see that what he said was consistent with the Board Office recommendation. He communicated two key areas of concern to them. The first concern related to the recommendation for the super board which would mean additional bureaucracy in higher education. He felt that once appropriations are made for the establishment of staff for the board it will be an ongoing entity that will result in conflicts. He said he encouraged the task force to reconsider the recommendations for a super board and to move away from any kind of staffing for such a board. The second area of concern President Curris said he addressed at the hearing was the recommendation to reduce community college tuition. He said that while many believe in low tuition as a principle, any kind of change that occurs has implications for all of higher education. Any major reduction of tuition in any of the sectors will make changes in student attendance. He said the most

Board of Regents					
Tri-State Graduate Center	40,000	40,000	40,000	40,000	40,000
Graduate Outreach Program Matching Fund	<u>0</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Subtotal	\$ 40,000	\$540,000	\$540,000	\$540,000	\$540,000
TOTAL	\$2,090,000	\$4,756,500	\$4,471,500	\$6,281,000	\$6,281,000

The following is a listing of the lottery requests for fiscal year 1991 and fiscal year 1992 by Regent institution.

	<u>FY 1990 Base</u>	<u>FY 1991 Instit. Request</u>	<u>FY 1991 Bd. Off. Recomm.</u>	<u>FY 1992 Instit. Request</u>	<u>FY 1992 Bd. Off. Recomm.</u>
University of Iowa					
Oakdale Research Park Technology Innovation Center	\$221,000	\$221,000	\$221,000	\$221,000	\$221,000
Technology Transfer Consortium	100,000	150,000	100,000	175,000	100,000
Ag. Health & Safety Center for Biocatalysis and Bioprocessing	100,000	100,000	100,000	100,000	100,000
Laser Equipment	0	205,000	0	220,000	0
Biomedical Research and Development	0	1,000,000	1,000,000	1,000,000	1,000,000
Center for Global and Reg. Env. Research	0	1,000,000	1,000,000	1,000,000	1,000,000
Specialized Core Research and Technology Fac.	0	500,000	0	500,000	0
Commercial Marketing Analysis	0	500,000	0	500,000	0
	<u>0</u>	<u>250,000</u>	<u>0</u>	<u>250,000</u>	<u>0</u>
Subtotal	\$421,000	\$4,926,000	\$3,421,000	\$4,966,000	\$3,421,000

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Iowa State University					
Research Park	250,000	260,000	250,000	275,000	250,000
Iowa State Innovation System	100,000	150,000	100,000	150,000	100,000
Instit. for Physical Research & Technology	0	4,650,000	2,125,000	4,650,000	4,650,000
Degradable Plastics	398,000	219,000	219,000	0	0
Amorphous SemiConductor	500,000	500,000	500,000	500,000	500,000
Livestock Technology	300,000	425,000	300,000	425,000	300,000
Small Business Development Center	1,300,000	1,750,000	1,300,000	1,750,000	1,300,000
Technology Transfer Consortium	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Subtotal	\$2,948,000	\$8,054,000	\$4,894,000	\$7,850,000	\$7,200,000
Univ. of Northern Iowa					
Institute for Decision Making	500,000	698,000	500,000	770,000	500,000
Emerging Business Opportunities	100,000	200,000	100,000	50,000	100,000
Technology Transfer Consortium	100,000	225,000	100,000	250,000	100,000
Applied Technology Program	<u>100,000</u>	<u>504,600</u>	<u>100,000</u>	<u>443,300</u>	<u>100,000</u>
Subtotal	\$800,000	\$1,627,600	\$800,000	\$1,513,300	\$800,000
TOTAL	\$4,169,000	\$14,607,600	\$9,115,000	\$14,329,300	\$8,896,000

The Board of Regents requests a special purpose appropriation to be allocated by the Board Office on a \$2-to-\$1 match basis to provide an incentive for Regent universities to expand their graduate outreach programs beyond their present scope. The Board Office will match \$1 for every \$2 expended by the universities.

University of Iowa officials requested funding for telecommunications in fiscal year 1991 and fiscal year 1992. The Department of Management feels it is too early to consider telecommunication requests for funding either physical or programming portions of the statewide telecommunication network.

The recommendation for funding for biocatalysis and bioprocessing research at the University of Iowa constitutes a five-year funding plan.

The funding request from Iowa State University for the Institute for Physical Research and Technology was for \$4.65 million in each fiscal year. The Board Office recommended implementing this request over a two-year period because of the potential conflict with other Regent priorities.

The request represents an attempt to identify lottery/special purpose appropriation items that may be most compatible with the research and development thrust of historical lottery appropriations. A legislative interim committee was established for the purpose of developing a new Iowa Plan.

Director Eisenhauer stated the Board Office revised recommendation was consistent with what the institutions requested. The Regents' lottery requests were based on historical uses of lottery funds not newly-proposed definitions on how to spend lottery funds.

MOTION: Regent Greig moved to approve lottery/revised special purpose appropriation requests for fiscal year 1991 and fiscal year 1992, as presented. Regent Fitzgibbon seconded the motion.

Regent Hatch said it was her understanding that \$4.65 million was needed during the first year for the Institute for Physical Research and Technology in order to provide some matching funds to generate about \$16 million.

President Eaton said Iowa State University officials are quite concerned about the delay the Board Office recommendation would cause. Another concern is the commitment on the part of Iowa State University to the state of Iowa to create two clean room laboratories. He said the location of an electronics company to Winterset is also contingent upon this funding.

Dr. Crow said they are at the critical juncture in their timing. They are working vigorously to build this non-agriculture "engine" for Iowa. The funding for this year is critical to get the project off the ground. They do not have base support from the state for the initiative university officials have undertaken. He noted there was some good news from Washington, D.C. A report from Congress indicates there will be funding of approximately \$14 million for agriculture and \$11 million for technology. In terms of state support for the activity, Dr. Crow said they are not looking for the state to become a "crutch". University officials are vigorously pursuing private sector financial support. One example of where they have been successful in obtaining private sector support is the Center for Aviations Reliability where they have received \$2 million from private sources. At the present time, the State of Iowa is not a partner in that enterprise.

Regent Fitzgibbon stated that last month when they discussed this Iowa State University effort they talked about a return of \$4 for every \$1 of state money. He said he believed they should support the project and that it is a good investment. It is a good for the state of Iowa and is the type of effort that will make the state even better.

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Regent Greig said it appeared that university officials were on the edge of bringing the additional federal and private money into the state, and now is not the time to shut that off.

President Rawlings referred to a chart which showed what faculty has done in terms of bringing in external support. He said there was a truly remarkable jump in that amount -- from \$67 million in 1983 to \$140.5 million in 1989. Sources of external support were largely from the federal government but also included state and local governments, business corporations and other non-federal support. Corporate support for research and training to the University of Iowa totaled \$12,927,054 in 1988-89.

President Rawlings referred to the University of Iowa cooperative research programs and stated that faculty talents in this area are the highest quality on the campus. He said faculty has taken the university to a position of pre-eminence. In the area of biomedical science the university's pharmaceutical services is the only one approved by the federal government to perform pharmaceutical testing. The environmental science cooperative research efforts include Dr. James Van Allen's work in geophysical research. He said University of Iowa Hospitals and Clinics is heavily involved in technology development. He referred to the sources of support for the university's centers and institutes and stated the majority of support, in most instances, is obtained from the federal government. By way of showing that university officials are very interested in economic development, President Rawlings provided a listing of numerous companies and industrial groups that are buying services from central research facilities.

President Rawlings stated that although Iowa State University officials asked for an increase in their total asking, University of Iowa officials were asking for funding, also. He referred to the listing of the institutional requests versus the Board Office recommendation and said he was especially concerned about the recommendation for no funding for the Center for Global and Regional Environmental Research. He said he felt the University of Iowa funding requests merited the same kind of consideration as the Board was giving Iowa State University.

Mr. Richey asked if President Rawlings was asking for an additional \$1.5 million for the University of Iowa. President Rawlings said he would like to have that seriously considered.

President Eaton said he would be very strongly supportive of the University of Iowa's request for additional funding. He noted that university officials have been urged to assist in economic development and diversification.

WITHDRAWAL OF MOTION:

Regent Greig withdrew his motion. Regent Fitzgibbon agreed to withdraw his second.

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MOTION: Regent Berenstein moved to accept the Board Office recommendations plus the additional requests of the universities, as presented. Regent Hatch seconded the motion.

Regent Hatch clarified that the motion would include an additional \$1.5 million for the University of Iowa during each Fiscal Year 1991 and Fiscal Year 1992, and an additional \$2.5 million for Iowa State University for each year.

President Eaton referred to the Board Office recommendation concerning the Small Business Development Center funding listed as funds Iowa State University receives. He said the money does not go to Iowa State University; it is passed through to the University of Iowa and University of Northern Iowa. He asked that that figure be removed from Iowa State University's listing.

President Curris noted that the universities could not expect to get money if they do not ask for it. He referred to the University of Northern Iowa's request for funding of its Applied Technology Program and asked that the request be at the level university officials requested. He provided a brief explanation of the program. The Applied Technology Program takes the work done at the university in the area of industrial technology and applied research activities, and brings it to private businesses to strengthen the manufacturing industry. They have assisted metal casting industries in the state as well as recycling research.

AMENDMENT TO MOTION: President Pomerantz asked that President Curris' request regarding the Applied Technology Program be added to the motion.

VOTE ON THE AMENDED MOTION: The motion carried unanimously (with Regent Tyler absent).

INCENTIVES FOR OUTREACH PROGRAMS IN GRADUATE EDUCATION. The Board Office recommended the Board approve a request for a special purpose appropriation of \$500,000 annually to the Board of Regents to expand graduate outreach programs beyond their present scope and into areas where few such programs exist.

There exists in the state of Iowa a need to extend graduate outreach programs to areas where little or no such services exist. The major factors inhibiting the expansion of graduate outreach are high operating costs, the unattractive reward structure for teaching faculty, and the lack of support staff.

Generally, graduate outreach programs must be completely self-supporting. This often makes the cost of administering the programs prohibitive to the student which, in turn, restricts expansion to the most needy areas.

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It was proposed that a \$500,000 appropriation be made to the Board of Regents to subsidize additional graduate course offerings off campus. It was suggested that the funds be expended under the policies and procedures of the Board of Regents, to subsidize off-campus graduate programs at the rate of one dollar for each two dollars spent by the universities. Subsidies were also recommended to support additional course offerings at the Quad Cities Graduate Center, and to support developing programs in the Sioux City area and in areas of southwest Iowa.

MOTION:

Regent Williams moved to approve a request for a special purpose appropriation of \$500,000 annually to the Board of Regents to expand graduate outreach programs beyond their present scope and into areas where few such programs exist. Regent Hatch seconded the motion, and it carried unanimously (with Regent Tyler absent).

COLLEGE BOUND PROGRAM FOR MINORITY STUDENTS. The Board Office recommended the Board approve the report on College-Bound Program for recruiting minority students to Regent universities.

Regent universities were appropriated \$800,000 for grants and administrative costs for the "Iowa Minority Academic Grants for Economic Success" (IMAGES) program. Under the "IMAGES" program 273 minority students received financial assistance. Strategies are being developed which will apprise minority students and their families of the college-bound program. Regent universities are coordinating their efforts in developing college-bound programs for elementary, middle and secondary school minority students and their families.

Regent Williams stated she was still very concerned about the low level of participation on the part of Black students. She felt the universities were making a strong effort, especially at the University of Northern Iowa. She hoped all those good efforts would continue and multiply.

Regent Furgerson said she hoped university officials work with various ethnic groups. She said they have to be sensitive to the different cultures.

MOTION:

Regent Williams moved to approve the report on College-Bound Program for recruiting minority students to Regent universities. Regent Furgerson seconded the motion, and it carried unanimously.

LEGISLATIVE ISSUES. The Board Office recommended the Board (1) Adopt the proposed legislative issues to be included in the Board's legislative program; (2) Receive information that the Board of Regents budget hearing before the Governor is scheduled for November 17 from 9:00 a.m. to 11:00 a.m. which is

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the Friday after the November Board meeting; and (3) Receive information that the Board of Regents budget hearing before the joint education appropriation subcommittee is tentatively set for the afternoon of December 7.

The issues proposed for the Board's 1990 legislative program include:

- a. Reestablishing the ability to carryover State appropriations for Regents institutions and
- b. Obtaining authority for Regent risk management responsibilities.

In addition, the Board of Regents will monitor legislation affecting higher education and Board of Regents activities. Based on legislative interim activity the following issues may be anticipated in the next session:

- Higher Education Task Force report
- Efforts to further restrict university sales of goods and services
- Moving governance of the two special schools to the Department of Education
- Further implementation of the Educational Telecommunications Network
- Higher Education Regional Compact
- Implementation of the legislative capitals planning procedure
- Proposals addressing current health care issues
- Continued promotion of teaching excellence
- Continued energy efficiency emphasis
- Imposition of tuition rate limitations
- Proposals to maintain athlete's academic progress
- Child Care Study followup

MOTION:

Regent Hatch moved to adopt the proposed legislative issues to be included in the Board's legislative program. Regent Furgerson seconded the motion.

Regent Fitzgibbon said he has thought that a good plan would be essential to a good relationship between the Board of Regents, the legislature and the Governor. The Regents now have a ten-year plan for capital improvements. He

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suggested they develop a five-year plan for the rest of the operation including enrollment and faculty. He said the Regents' responsibility is to support the universities and, therefore, they should come up with a plan on how to meet their goals. The plan would specify that in order to attain excellence it will take a certain amount of appropriations in 1991, a certain amount of appropriations in 1992, a certain amount of appropriations in 1993 and so on. He asked if they could get a plan in place by January and not later than February in order to present it in a timely manner to the legislators. He felt that much of the work had already been done by virtue of the studies the Regents have accomplished. He felt that this was the time to develop a plan.

President Rawlings said the University of Iowa's plan will be ready December 1.

Regent Fitzgibbon asked if it was possible to have each of the institutions' plans by January 1. President Pomerantz asked if a draft would be acceptable. Regent Fitzgibbon responded that a draft was acceptable.

MOTION: Regent Fitzgibbon moved approval of his suggestion for a 5-year Regent-wide plan.
Regent Westenfield seconded the motion.

Regent Williams expressed concern that once they develop a five-year plan the legislature will then require the Regents to submit a plan.

President Rawlings clarified that University of Iowa officials will have a strategic plan developed by December 1 but that plan does not have a budget item for every single item for the University of Iowa. The plan sets a course and sets priorities.

Regent Fitzgibbon asked that university officials coordinate with the Board Office to develop a similar form.

President Eaton suggested a committee of the universities and the Board Office could develop a format.

Vice President Vernon expressed concern that if there was to be a change in formats University of Iowa officials would probably not be able to adhere to the January 1 time frame.

President Pomerantz said the Board Office could develop a format which would include the universities' plans.

VOTE ON THE MOTION: The motion carried unanimously.

Regent Tyler said he thought that one of the Regents' legislative initiatives was for an on-going capital appropriation. He noted that was not included in

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the information from the Board Office although the whole Board felt it was a good idea.

President Pomerantz said he did not believe what was presented was intended to be the Regents' entire legislative program.

VOTE ON THE ORIGINAL MOTION: The motion carried unanimously.

ANNUAL REPORT ON FACULTY RESIGNATIONS. The Board Office recommended the Board accept the annual report on resignations for the period July 1, 1988, through June 30, 1989.

Faculty resignations at the University of Iowa and Iowa State University were down again in 1988-89. This is the second or third year in a row respectively that faculty resignations have decreased at these two universities.

Faculty resignations at the University of Northern Iowa are up slightly (i.e., two more than last year's total). Faculty resignations at Iowa State University have decreased from 35 in 1987-88 to 30 in 1988-89. At the University of Iowa faculty resignations have decreased by one from 1987-88 to 1988-89.

In general the resignations at the three universities have been for persons accepting a position with another university presumably for better situations.

The percentage of resignations from women decreased at Iowa State University (12 percent in 1987-88 to 7 percent in 1988-89) and at the University of Iowa (22 percent in 1987-88 to 13 percent in 1988-89). At the University of Northern Iowa the percentage of resignations increased from 9 percent in 1987-88 to 13 percent in 1988-89.

The resignations for the two special schools were below average for the previous decade.

ACTION: President Pomerantz stated the Board, by general consent, accepted the annual report on resignations for the period July 1, 1988, through June 30, 1989.

ANNUAL REPORT OF REGENT MERIT SYSTEM. The Board Office recommended that the Board (1) receive the report; (2) approve the revisions of two merit system rules concerning the implementation of classification changes and the referral of applicants, and a policy regarding the movement of merit positions to professional and scientific classes; and (3) approve the undertaking of several special projects in fiscal year 1990.

REPORT

At the end of fiscal year 1989 there were 8,577 permanent merit system employees, an increase of 20 over the previous year end total. The average salary of merit system employees increased 5.76 percent from \$16,900 to \$17,874 in fiscal year 1989. The total payroll for all merit system employees in fiscal year 1989 was approximately \$147,000,000.

As a part of the on-going operations of the Merit System in fiscal year 1989 there were 11,833 evaluations of applicants training and experience; 9,328 written tests were administered; and 15,068 applications were reviewed for work test appointments. 424 reclassification requests were considered and the classification of 241 new positions were reviewed.

RULES

Merit rule 3.26 currently provides for the implementation of class changes resulting from a system-wide review at the beginning of the next fiscal year. The proposed revision would give the Merit System Director authority to implement changes at an earlier date (in the interest of equity and if there is minimal budget impact).

The proposed addition to rule 3.67(1) would permit a Resident Director to refuse to refer an applicant to an employing department which has on three separate occasions hired an applicant with a lower test score.

The proposed policy would require that a change of a merit system class to a professional and scientific class be reviewed with the Merit System Director before implementation. Current policy requires only that the Director be informed of such changes.

PROJECTS

Special projects for fiscal year 1990 include continuing expansion of the use of Job Service tests for merit system vacancies; continuing the systematic review of the classification of merit positions as previously approved by the Board; continuation of joint labor-management activities such as the study of group health insurance and the review of the pay grade assignment of classes, and the updating of an administrative manual for merit system operations.

MOTION:

Regent Williams moved to approve the recommended action. Regent Greig seconded the motion.

President Curris expressed concern about the proposed policy on movement of positions from Merit to Professional and Scientific classes which stated the movement would be reviewed with the merit system director prior to

implementation. He felt that was micromanagement and that the decision should be made on campus.

Mr. Richey stated this recommendation was crucial for the Regents merit system to have some integrity. The integrity of the system is vital to its continued separation from the state's merit system.

VOTE ON THE MOTION: The motion carried unanimously.

BOARD POLICY ON APPOINTMENT OF ADMINISTRATORS. The Board Office recommended that the Board approve changes in Section 4.05 of the Board of Regents Procedural Guide relating to appointments of administrators.

Several requests for revisions in the Board's procedure pertaining to administrative appointments were made. Presently the Board is notified of vacancies in all major administrative positions, is informed of the search process, and makes the appointments prospectively.

The proposed procedure greatly limits the number of positions for which the Board makes the appointment. Assistant and associate vice presidents, deans, most directors, and department heads would be removed from this Board appointment category. This latter group would be approved retrospectively on the institutional personnel register.

The Board would appoint prospectively only those major administrators who report directly to institutional heads. The Board would be timely informed of the process of the search for candidates and would be informally informed of the candidate whom the institutional head intended to nominate for the position.

The Board would continue to be advised of the progress of searches for other major administrators but their appointment would not be delayed for Board action.

The desire is to have the action taken by the Board and the Board's participation in the selection process of upper-level administrators be meaningful and to delegate to the institutional heads the authority to approve appointments of other administrators.

MOTION: Regent Greig moved to approve changes in Section 4.05 of the Board of Regents Procedural Guide relating to appointments of administrators. Regent Tyler seconded the motion.

Regent Tyler stated the recommendation was a big improvement in the way the Regents do business. He said he hoped institutional officials heed the statement that "The Board would be timely informed of the process of the

search for candidates and would be informally informed of the candidate whom the institutional head intended to nominate for the position" because he could not think of a quicker way to get the policy reversed.

Regent Hatch said she had a similar concern. Since she has been on the Board of Regents she feels that information on candidates has not been available until almost the time of appointment. She said she likes the spirit of the policy and hopes it is followed in more detail.

VOTE ON THE MOTION: The motion carried unanimously.

REVISION OF CAPITAL PROCEDURES. The Board Office recommended the Board approve additions to the capital procedures section of the Board of Regents Procedural Guide to require the institutions to send to the Board Office a copy of bid tabulations within 24 hours of the opening of bids for a capital project.

Last month the Board approved revisions to the capital procedures section of the Regents Procedural Guide (Chapter 9). At this time the Board was asked to approve additions to Section 9.10(E) regarding bid openings and the award of contracts. The recommended additions would require the institutions to forward to the Board Office a copy of the bid tabulation within 24 hours of the bid opening on projects with budgets of \$250,000 or more.

Currently, the institutions submit a bid tabulation with their recommendation to award the contract. Depending on circumstances the institutional recommendation may take 30 to 40 days from the time of the bid opening, resulting in little time for the Board Office or the Board to act on the institution's recommendation before the bids lapse. The submission of the bid tabulation within 24 hours of the bid opening should alert the Board Office of potential budget problems that might exist and will help avoid crisis management or surprises.

MOTION: Regent Tyler moved to approve additions to the capital procedures section of the Board of Regents Procedural Guide to require the institutions to send to the Board Office a copy of bid tabulations within 24 hours of the opening of bids for a capital project. Regent Williams seconded the motion, and it carried unanimously.

REPORT OF THE BANKING COMMITTEE.

Regent Fitzgibbon stated the Banking Committee members discussed the masterlease drawdowns and would again discuss it next month. He said the committee members discussed a proposed trustee change for utility bonds. He asked Luther Anderson of Springsted, Inc., to report on the matter.

Mr. Anderson said the utility revenue bond issues had a New York trustee during the time the bonds were in a variable rate mode. Since those have been converted to fixed rates it was felt the trustee should be an Iowa firm. Requests for Proposals were submitted to 3 firms in Iowa; proposals were received from two: Norwest Bank and Davenport Bank and Trust. He said the Norwest Bank costs were substantially more attractive than the Davenport Bank costs. Therefore, the recommendation of the interinstitutional group that reviewed the proposals was that a contract be entered into with Norwest Bank.

MOTION: Regent Fitzgibbon moved to approve Norwest Bank as the trustee for the utility revenue bonds. Regent Tyler seconded the motion.

President Pomerantz asked that the Minutes reflect his refraining from voting because he is a member of the board of Norwest Bank.

Regent Berenstein stated that since he does legal work for Norwest he was also going to refrain from voting on the motion.

VOTE ON THE MOTION: The motion carried with Regents Berenstein and Pomerantz abstaining.

Regent Fitzgibbon said the Banking Committee recommended Board approval of a preliminary resolution authorizing the Executive Director to proceed with activities in anticipation of the November sale of up to \$10 million in Utility System Revenue Bonds for the University of Iowa, Series 1989, subject to validation of savings by the Durrant Group.

MOTION: Regent Tyler moved to approve a preliminary resolution authorizing the Executive Director to proceed with activities in anticipation of the November sale of up to \$10 million in Utility System Revenue Bonds for the University of Iowa, Series 1989, subject to validation of savings by the Durrant Group. Regent Berenstein seconded the motion, and it carried unanimously.

STUDENT APPEAL. The Board Office recommended the Board uphold the nonresident classification of Dennis Bjorklund as established at the University of Iowa.

Dennis A. Bjorklund, a University of Iowa student, has appealed his residency status for tuition and fee purposes. The appeal was reviewed a second time by the Regents Registrars and Admissions Officers Committee and they voted to uphold again the nonresident classification. The Board Office recommended the Board uphold the nonresident classification.

MOTION: Regent Tyler moved to uphold the nonresident classification of Dennis Bjorklund as established at the University of Iowa. Regent Williams seconded the motion, and it carried unanimously.

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

The Register of Personnel Changes for the months of September and October included the following actions:

TEMPORARY APPOINTMENT:

DANIEL VIA as Research Analyst Academic Affairs Unit, effective September 5, 1989, at a salary of \$14 per hour.

TERMINATION OF TEMPORARY APPOINTMENT:

RICHARD TIEGS, Research Analyst Academic Affairs Unit, effective October 7, 1989.

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

MONTHLY REPORT OF THE BOARD OFFICE BUDGET. The Board Office recommended the Board receive the report.

Actual expenditures during the first quarter of fiscal year 1990 for the Board Office budget amount to \$241,357 or 22 percent of the currently-available budget. These expenditures do not include encumbrances for such items as printing, Board travel and expense, and telephone tolls that have not been billed.

The Board has requested a supplemental appropriation of \$63,324 for fiscal year 1990 to fund the expected level of budget for the current year. Those funds will either need to be appropriated or to be provided from inter-fund or inter-account transfers before the last month of the fiscal year.

Mr. Richey stated the Department of Management would not allow payments from Fiscal Year 1989 for equipment ordered in Fiscal Year 1989 but not yet received.

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.

November 15-16	University of Iowa	Iowa City
December 13-14	University Park Holiday Inn	Des Moines
January 17-18, 1990	Iowa State University	Ames
February 21-22	University Park Holiday Inn	Des Moines
March 21-22	University of Iowa	Iowa City
April 18-19	University of Northern Iowa	Cedar Falls
May 16-17	Park Inn International	Mason City
June 19-20	New Historical Building	Des Moines
July 18-19	Village West	Okoboji
September 18-19	University of Northern Iowa	Cedar Falls
October 17-18	Iowa State University	Ames
November 14-15	Iowa School for the Deaf	Council Bluffs
December 19-20	University of Iowa	Iowa City

Regent Tyler thanked the Board Office for getting the Board of Regents back to meeting in various non-campus locations around the state.

Regent Greig said he was glad they were going to Mason City.

ACTION: President Pomerantz stated the Board received the next meetings schedule by general consent.

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

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The following business pertaining to the State University of Iowa was transacted on Wednesday, October 18, 1989.

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

1. Register of Personnel Changes for August 1989;
2. Appointment of ARTHUR L. SMIRL as Director of the Center for Laser Science and Engineering, effective immediately, at a fiscal-year salary of \$125,350; and
3. Approve the commissioning of CYNTHIA SUE HEICK as a permanent Special Security Officer.

Vice President Vernon presented the following supplemental appointment:

Appointment of ALLEN J. MARKOVETZ, Ph.D., as Acting Head of the Department of Microbiology, College of Medicine, at a fiscal year salary of \$95,000, effective November 1, 1989.

Dr. Markovetz will serve as Acting Head during the search for a successor to Dr. Irving P. Crawford, who died of cancer October 8.

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

POST-AUDIT REPORT ON PH.D. IN NEUROSCIENCE. The Board Office recommended the Board refer this matter to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The Board of Regents approved the Ph.D. degree in Neuroscience five years ago and it was now due for a post-audit. The program awarded its first Ph.D. in Neuroscience in May 1989.

ACTION: President Pomerantz stated the Board, by general consent, referred this matter to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

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DEPARTMENT NAME CHANGE; DEGREE NAME CHANGE. The Board Office recommended that the Board approve the proposed name and degree changes, the de-emphasis on Materials Engineering and the elimination of the Center for Materials Research at the University of Iowa as a part of the Board's action on program duplication.

University of Iowa officials recommended the change in the name of the Department of Chemical and Materials Engineering to Chemical and Biochemical Engineering, and the change in the designation of the M.S. and Ph.D. degrees to the M.S. and Ph.D. in Chemical and Biochemical Engineering.

This request includes the de-emphasis on Materials Engineering and the elimination of the Center for Materials Research at the University of Iowa.

ACTION: President Pomerantz stated the Board, by general consent, approved the proposed name and degree changes, the de-emphasis on Materials Engineering and the elimination of the Center for Materials Research at the University of Iowa as a part of the Board's action on program duplication.

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.

University Hospitals and Clinics--Development of General Administrative Service Functions \$429,670
Source of Funds: University Hospitals Building Usage Funds

Preliminary Budget

Construction	\$ 353,640
Contingency	35,365
Architectural and Engineering Support	22,985
Planning and Supervision	<u>17,680</u>
TOTAL	\$ 429,670

This project consists of finishing approximately 5,000 gross square feet of shelled-in space located on the first floor of the Colloton Pavilion. The project will provide critically-needed additional office space for general administrative service functions. Relocation of these offices will permit the vacating of space in the General Hospital which will be utilized for much-needed expansion of the general supporting services of Pharmacy, Staff

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Relations and Development, and Architectural, Engineering and Environmental Services. This project represents the second phase in the development of an eventual integrated area for general administrative service functions.

* * * * *

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

* * * * *

ARCHITECT/ENGINEER AGREEMENTS

University Hospitals and Clinics--General Hospital
Elevator Replacement--Phase II \$16,700
Shive-Hattery Engineers and Architects, Inc., Cedar Rapids, Iowa

The professional services agreement provides for design services throughout the project and includes services during the bidding and construction phases. This agreement provides for basic services at a fixed fee of \$16,200. Additional services will be at a multiple of 2.8 of direct personnel expenses and at fixed rates for principals. Services of professional consultants will be at a multiple of 1.1 of the amount billed. Reimbursable expenses shall not exceed \$500.

Amendments:

University Hospitals and Clinics--Psychiatric Pavilion
Replacement Facility--Phase C
Hansen Lind Meyer, Iowa City, Iowa Amendment No. 3 \$53,687
Amendment No. 4 \$2,000

Amendment No. 3 to this agreement provides for design of the accepted Bid Alternate No. 3 to develop shelled-in space for future clinical and support services in the basement of the Psychiatric Pavilion Replacement Facility. The bid alternate was held in abeyance at the time of bid. Upon receipt of the Certificate of Need, the bid alternate was awarded. This amendment provides for an increase in basic services not to exceed \$53,687 for the design of accepted Bid Alternate #3. Amendment No. 4 in the amount of \$2,000 provides for preparation of separate purchase order packages for major equipment items. Changes No. 3 and 4 will not result in an increase in the total project budget.

Laser Laboratory Building \$24,915.43
Herbert Lewis Kruse Blunck Architects, Des Moines, Iowa

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University Hospitals and Clinics--Remodel Main Lobby
Rest rooms \$4,873.21
Roman Scholtz and Associates, Davenport, Iowa

Field House Addition Deduct \$4,477
Bussard/Dikis Associates, Ltd., Des Moines, Iowa

Chemistry-Botany Building Remodeling--Phase II \$1,732
CPMI, Inc., Des Moines, Iowa

CONSTRUCTION CONTRACTS

University Hospitals and Clinics--Oral Surgery Clinic Remodeling
and East Wing, General Hospital Stairwell Development \$374,550
Award to: Mid-America Construction Company of Iowa, Iowa City, Iowa
(4 bids received)

Van Allen Hall--Provide Utilities for "Q" Machine \$198,640
Award to: AAA Mechanical Contractors, Inc., Iowa City, Iowa
(2 bids received)

University Hospitals and Clinics--Carver Pavilion Secondary
Power Enhancement--Phase II \$96,736
Award to: Gerard Electric, Inc., Iowa City, Iowa
(2 bids received)

University officials presented the following supplemental construction contract:

University Hospitals and Clinics Oral Surgery Remodeling and East Wing -
General Hospital Stairwell Development

University officials requested to award a contract to the second lowest bidder, McComas-Lacina Construction Company, and forfeit the 5 percent bid bond submitted by the low bidder, Mid-America Construction Company. This action was requested since the low bidder refused to sign the contract and perform accordingly.

Director Eisenhower stated bids were opened on September 6 for the Oral Surgery Remodeling and East Wing project. University officials submitted the bid tabulation to the Board Office on September 21 with a recommendation to award the contract to the low bidder, Mid-America Construction Company, for a total award of \$374,500. Mr. Richey awarded the contract. In a subsequent letter to the Board Office, dated September 27, Mid-America Construction Company officials requested they be allowed relief from the contract because of an alleged error in their bid. Company officials returned the unsigned contract on October 11, 1989. Since they refused to sign the contract university officials recommended awarding the contract to the next lowest

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bidder, McComas-Lacina Construction Company, with a base bid of \$354,000 plus alternates 1, 2, 3 and 4 for a total award of \$428,251. In addition, university officials recommended the bid bond by Mid-America Construction Company be forfeited, which amounts to approximately \$8,000.

Regent Berenstein asked for the difference between the amounts of the first and second bids. Director Eisenhower stated the base bid of the low bidder was \$312,500 and the base bid of the second lowest bidder was \$354,008. Alternate 3 was bid by the lowest bidder at \$51,000 and by the second lowest bidder at approximately \$2,000.

Assistant to the President Mears stated that Mid-America officials were asking to be relieved of the forfeiture of their bid bond. Regent Berenstein stated it appeared the university was going to lose \$50,000. Ms. Mears noted that the issue of whether to relieve the bidder of its forfeiture of the bid bond was a different issue from how to proceed to award the contract.

Mr. Richey stated that he had checked to ascertain whether university officials could recover more than the bid bond, and was told the bid bond was all they could recover. Regent Berenstein said he wanted to make sure that course had been reviewed.

CHANGE ORDERS TO CONSTRUCTION CONTRACTS

North Campus Parking and Chilled Water Facility \$123,149
The Weitz Company, Inc., Des Moines, Iowa

This change order provides for the added cost of installing caissons to the levels required by actual site conditions rather than the assumptions contained in the plans and specifications and on which the bids were based. The final cost is based on downward negotiations from the unit costs contained in the bid documents. The final cost is \$123,149, of which \$22,607 is the responsibility of the City of Iowa City.

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

Laser Laboratory Building--Phase I--Driven Piles, Bid Package (C2)
Iowa Bridge and Culvert, Inc., Washington, Iowa

* * * * *

Laser Laboratory Building Presentation

The university received bids in July totaling \$20,743,682 for the Phase 3 bid package on this project. The bids were \$4,546,516 over the available construction budget. A preliminary explanation for the excessive bids was provided to the Board at the July meeting, at which time university officials recommended the rejection of all bids. The explanation focused on two primary

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causes for the overestimate of the bids: lack of adequate competition and the real or perceived complexity of the job.

For example, the single bid received for special shapes of steel was nearly two and one-half times the reasonably-expected cost per ton of steel. The single bid received for standard steel shapes was two-thirds higher than might be expected based on recent historical cost data. After adjusting the quantity of steel priced in the final cost estimate (completed at 75 percent construction documents) to reflect the quantity of steel in the actual bid documents, the bid received was more than \$1 million higher. This can only be explained by the lack of competition on the project. Those contractors who did bid certain packages apparently inflated their bids to protect themselves from the uncertainties and risks associated with the project, which seems to reflect the lack of competition involved.

In addition to the lack of competition the university's analysis confirms that the complexity of the project contributed to the cost overrun problems and deterred bidders from the project. The technical requirements of the state-of-the-art laser research facility combined with the sculptural character of the building design brings with it a degree of complexity that might not be found in architecture of lesser technical requirements, design quality and significance. This complexity and lack of historical examples for projecting costs illustrates the problem. Also, some prospective bidders were apparently unwilling to spend the resources necessary to prepare bids to meet the complex technical and construction aspects of the facility. This unwillingness was complicated by the availability of numerous less complex and less risky construction projects in the marketplace, as well as the unwillingness to accept the risk associated with a complex project with a high public profile.

University officials presented a modified redesign alternate on the Laser Laboratory Building which will reduce the estimated cost of the project to budget levels. The estimated cost reductions would total \$5 million to \$6 million, which should bring the project back into budget after allowing for an estimated cost escalation of 3 percent to May 1990.

The original program called for 72,067 net square feet of space. The proposed modified redesign is for 71,662 net square feet of space, or 99 percent of the original design. The redesign breakdown is as follows:

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	<u>Net Square Feet</u>	<u>% of Original Budget</u>
Finished Space	44,652	62%
Space for Later Development	17,160	24%
Bid as Alternate to Protect Budget	<u>9,850</u>	<u>14%</u>
TOTAL	71,662	99%
If Alternate Not Bid	61,812	86%

Design changes include the deletion of gathering coves; relocation of transformers and emergency generator; use of brick exterior in lieu of stone; simplifying conference room; reducing light monitors; bidding Building D, North Office Wing, as an alternate to protect budget; and building space for later development in lieu of finished space.

President Rawlings introduced Leodis Davis, Dean of the Graduate School, to discuss the academic progress of the university's laser program.

Dean Davis addressed the progress university officials have made in putting together its laser science and engineering program. He said he was pleased to report a lot of progress. Five of the 17 primary appointments are complete including the appointment of William Stwalley as director of the laser facility. Post-doctorates and students have been recruited to work with the core researchers in the center. Multi-year external research funding contracts totaling more than \$2,500,000 have been approved. Undergraduate and graduate curriculum in four laser-related courses are being taught. Joint collaborations are occurring with representatives of Iowa State University. Four patents applications have been filed.

Vice President Phillips addressed the architectural issues of the laser facility. She said university officials believe the redesign approach will accomplish their goals. She emphasized that this was a status report. The cost analysis will continue over the coming months and university officials will come back to the Board in December once costs have been further reviewed. In December the Regents will be presented with a model of the redesigned laser facility as well as a budget revision.

Mr. Gibson discussed some of the changes contemplated in the redesign of the laser facility. The exterior skin will be brick. They will not bid initially for the clean rooms which can be added back later. They will delay bidding the support labs in Building C and well as the top floor of Building B. He said 24 percent to 25 percent of the total net square feet of the building will be delayed. They are considering bidding Building D as an alternate or taking the space to be located in Building D and inserting it into the atrium area of Building A. Doing so would eliminate having to construct Building D

although they would still have the footings for Building D. The redesign would reduce the gross square feet and the net square feet would stay the same which would increase the efficiency. He said university officials continue to be concerned about the lack of competition; therefore, they will work with the contractors up front to develop the bid packages. They hope to remove some of the building complexity through the redesign. The time schedule will get back on track.

President Pomerantz thanked university officials for a good report.

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

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

PRELIMINARY RESOLUTION FOR A UNIVERSITY OF IOWA BOND SALE IN NOVEMBER 1989. The Board Office recommended the Board approve a preliminary resolution authorizing the Executive Director to proceed with activities in anticipation of the November sale of up to \$10 million in Utility System Revenue Bonds for the University of Iowa, Series 1989 subject to validation of the savings by the Durrant Group.

In September, the Banking Committee received a report regarding a potential utility bond sale in November for the University of Iowa to accomplish some energy conservation improvements. The committee was promised additional information in October concerning the potential sale and also expressed an interest in learning about other potential future self-liquidating bond sale opportunities.

University of Iowa officials requested the Banking Committee recommend to the Board adoption of resolutions authorizing the sale in November of up to \$10 million in Utility System Revenue Bonds. This bond sale would finance \$8.5 million in utility projects at the university.

Cash flow consequences of each project were prepared by university officials and provided to Regents. The year-by-year cash flows for the project and pro forma Utility System budgets prepared by Springsted, Inc. were also provided to Regents. The financial model shows year-by-year the projected debt service is more than offset by Utility System savings.

ACTION: President Pomerantz stated this item was handled under "Banking Committee" earlier in the meeting.

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

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, October 18, 1989.

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

1. Register of Personnel Changes for September 1989 including early retirements as follows:

DANIEL GRIFFEN, Professor of Industrial Engineering, retiring May 20, 1990;

WALLACE C. SCHLOERKE, Professor of Secondary Education, retiring December 31, 1989;

EVERETT SWAGERT, University Architect, retiring October 31, 1989;

LOIS E. THOMAS, Administrative Assistant for Sciences and Humanities Administration, retiring October 31, 1989;

JACK M. FERGUSON, Lieutenant with the ISU Patrol, retiring June 30, 1990;

GLENN E. FANSLow, Professor of Electrical Engineering and Computer Engineering, retiring August 31, 1990; and

WILBERT HUTTON, JR., Professor of Chemistry, retiring May 31, 1990.

The university would have incurred a salary liability of approximately \$2.3 million over the expected span of employment of these individuals. These funds will be used for replacement staff and/or reallocations within the university. The cost of incentives for the above retirees will be \$292,990.

2. Completion of the reorganization of the Facilities Planning and Management Division.

The Board approved the reorganization of the Facilities Planning and Management Division in February 1987 which consolidated the physical plant, planning and space and schedules divisions under the direction of the Associate Vice President for Facilities. Savings for this consolidation which have been greater than the \$100,000 anticipated have been reallocated into facilities maintenance. Due to the retirement of

the University Architect at a date earlier than originally expected, university officials wished to complete the reorganization.

The major entities within the division will be facilities management, facilities planning and utilities each headed by a senior director reporting to the Associate Vice President for Facilities. University officials requested approval of assigning two current employees in the division as directors of facilities management and utilities. A nationwide search will be instituted for the director of facilities planning.

The Board was asked to approve the following actions to complete the reorganization:

Approval of the position of director of facilities planning, Director II (pay grade 8) effective January 1, 1990;

Approval of GARY L. REYNOLDS, director of facilities management, from Associate Director IV to Director II (pay grade 8) effective November 1, 1989; salary \$68,850; and

Approval of DAVID J. MILLER, director utilities, from Associate Director IV to Director II (pay grade 8) effective November 1, 1989; salary \$68,060.

MOTION:

Regent Furgerson moved to approve personnel transactions, as presented. Regent Berenstein 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 with the exception as noted on the Hilton Coliseum Improvements project.

APPROVAL OF PROGRAM STATEMENTS AND DESIGN DOCUMENTS

LeBaron Hall Addition--Center for Designing Foods to Improve Nutrition

<u>Project Budget</u>	<u>Budget Approved June 1989</u>
Construction Contract	\$4,504,000
Design Services	430,000
Construction Administration	199,000
University Services	130,000
Miscellaneous	45,000
Landscaping	20,000
Utility Extensions	259,000
Fixed Equipment	50,000
Movable Equipment	3,500,000
Art Work	32,500
Building Automation	65,000
Telecommunications	90,000
Reserved for Future Contracts and Contract Changes	<u>627,500</u>
TOTAL	\$9,952,000
Source of Funds: 72nd General Assembly	
Academic Rev. Bonds	\$4,152,000
USDA-CSRS Grant	232,218
Pending USDA-CSRS Grant	<u>5,567,782</u>
TOTAL	\$9,952,000

The schematic design for this project was developed and approved by appropriate university personnel. The design was prepared by the project architects, Brooks Borg and Skiles, working with the planning committee of users of the facility.

An appointment was scheduled for university officials and the architect to review this project with the Board.

Vice President Madden introduced Robert Mathieu of Brooks Borg and Skiles Architects-Engineers.

Mr. Mathieu gave a slide presentation which showed the site plans. He noted that the facade will be limestone, the same as was used on LeBaron Hall and McKay Hall.

Mr. Philip Pash, project architect, described how the building works functionally.

President Pomerantz asked about the budget. Mr. Mathieu said the construction budget is \$4.5 million which equates to \$120/square foot. He felt that was efficient for this type of facility. The addition will contain 37,000 gross square feet to end up with an efficiency of about 59 percent. One factor that impacts the efficiency is that they are making connections to LeBaron Hall so the whole facility works as a complex.

PROJECT DESCRIPTIONS AND BUDGETS

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

Swine Nutrition and Management Research Center--
Research Unit

\$1,155,500

Source of Funds: 73rd General Assembly Capital Appropriations

Preliminary Budget

Contracts	\$ 820,000
Design Services	86,000
Construction Administration	45,000
University Services	1,000
Miscellaneous	1,000
Fixed Equipment	22,500
Movable Equipment	100,000
Reserved for Future Contracts and Contract Changes	<u>80,000</u>
TOTAL	\$1,155,500

At the June 1988 Board meeting university officials reported a research unit as one of three projects for the Swine Nutrition and Management Research Center. At the December 1988 Board meeting university officials reported that as planning progressed it became apparent that funds were not sufficient to provide an adequate facility. University officials chose to postpone the research unit until additional funds became available.

University officials now requested authorization to proceed with this project which will provide a building of approximately 14,500 square feet for housing experiments requiring isolation from normal swine housing, such as metabolism studies or studies requiring special environmental control. It will also include support items such as laboratories, equipment, animal monitoring rooms, computer telemetry, and field offices.

VMRI Building No. 2--Remodeling

\$257,000

Source of Funds: 73rd General Assembly Capital Appropriations

Preliminary Budget

Contracts	\$ 200,000
Design Services	26,800
Construction Administration	9,400
University Services	3,200
Miscellaneous	1,000
Telecommunications	600
Reserved for Future Contracts and Contract Changes	<u>16,000</u>
TOTAL	\$ 257,000

This project will remodel approximately 2,400 feet of space in VMRI Building No. 2. The existing building houses facilities for conducting research projects related to animal health and provides pathological laboratory services for a number of other VMRI laboratories. Serious limitations are being placed on the research and support activities due to the condition and arrangement of the space. Current histology and electron microscopy laboratories need to be redesigned for better space utilization and environmental control. Modifications are also needed for additional laboratory space and office space for senior investigators and graduate students.

University officials presented a revised budget on the following project.

Hilton Coliseum Improvements--Phase I

Original Budget \$990,000
Revised Budget \$4,500,000

Project Budget

	Original Budget <u>March 1989</u>	Revised Budget <u>Oct. 1989</u>
Contracts	\$ 753,500	\$ 3,640,535
Design Services	103,000	311,000
Construction Administration	21,000	50,000
University Services	7,500	30,000
Miscellaneous	7,500	15,000
Landscaping	5,000	18,000
Building Automation	10,000	
Telecommunications	7,500	35,000
Reserved for Future Contracts and Contract Changes	<u>75,000</u>	<u>400,465</u>
TOTAL	\$ 990,000 =====	\$ 4,500,000 =====

Source of Funds: Revenue Bond Surplus Fund	\$ 990,000	
Ogden Allied Facilities Management, Revenue Bonds and/or Coliseum Bond Reserve Funds	<u> </u>	<u>\$ 4,500,000</u>
TOTAL	\$ 990,000 =====	\$ 4,500,000 =====

This project was first reported at the February 1989 Board meeting. The university reported on a study that had been completed by Ogden Allied Facilities Management and its consultant, HNTB-Sports Facility Group of Kansas City, Missouri. Ogden Allied's goal for the study was to identify improvements that could be made to increase revenues for the facility.

Because the size of the total project contemplated in the HNTB report exceeded the funds available, the project was broken into phases with the first phase based on the most critical safety needs and current funding levels. At the March 1989 meeting university officials were given approval to proceed with

Phase I of the project consisting of improvements in exiting capacity and other safety-related items only.

Discussions are currently underway with the Board Office and the Board's bond counsel and financial advisor to determine if a sufficient revenue stream can be generated from the sale of suites, or whether bond reserve funds or a revenue bond issue will be more cost-effective. When a financing plan is determined Board approval will be requested prior to proceeding beyond the design stage of the project.

Members of the Board Office staff, working with Regent Tyler and university officials, carefully reviewed the university's proposal and recommended approval to proceed with the design stage of the project with deferral of the revised budget until a satisfactory financial plan is developed and approved by the Board. If funding sources do not develop the university would proceed only with the original Phase I of the project to reflect current available funds approved by the Board in March 1989.

* * * * *

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

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ARCHITECT/ENGINEER AGREEMENTS

Amendments:

Swine Nutrition and Management Center--Feed Preparation
and Support Facilities \$1,300
Shive-Hattery Engineers, Des Moines, Iowa

CONSTRUCTION CONTRACTS

Applied Sciences Center--Center for New Industrial Materials--
Phase 3--Roofing Replacement \$71,600
Award to: Central States Roofing, Ames, Iowa
(3 bids received)

Applied Sciences Center--Amorphous Silicon Pilot Line Facility \$66,800
Award to: ACI Mechanical Corporation, Ames, Iowa
(1 bid received)

CHANGE ORDERS TO CONSTRUCTION CONTRACTS

Recreation/Athletic Facility

\$72,635

McHan Construction, Inc., Sioux City, Iowa

This project was last reported to the Board in June 1989. When the project was bid in May 1988 negotiations with the prime contractor to reduce general construction costs included the deletion of divider curtains for the multi-purpose area. The project has progressed to the point where university officials are confident that funds are available to add the divider curtains back into the project without increasing the project budget. The project architect, Recreation and Athletic Departments, and Facilities Planning and Management personnel have discussed priorities and have determined that the divider curtains have the highest priority for restitution to the project.

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

ISU Research Park--Phase I--Signage

ASI Sign Systems, Grinnell, Iowa

Gilman Hall Renovation--Phase II--Window Replacement

McHan Construction Company, Sioux City, Iowa

MOTION:

Regent Furgerson moved to approve the university's capital register with the exception as noted on the Hilton Coliseum Improvements project. Regent Hatch seconded the motion, and it carried unanimously.

APPROVAL OF LEASES. The Board Office recommended that the Board approve leases and agreements for the benefit of the university, as follows:

with BRUMWELL FLOUR MILL for their use of approximately 165 square feet of office space, Suite 604, in the Iowa State Innovation System Center (ISIS) located at 2501 North Loop Drive, Ames, for a rent of \$116.88 per month for a period of six months, commencing September 15, 1989;

with EDGE TECHNOLOGIES, INC. for their use of approximately 3,969 square feet of space located in the Applied Science Center, Building 73, Ames, for a rent of \$2,500 per month for a period of three years commencing November 1, 1989; and

with the CITY OF AMES for the operation, maintenance and improvement of the indoor ice arena located on the campus for a period of five years commencing July 1, 1989.

President Pomerantz asked if Edge Technologies is doing reasonably well. Vice President Madden responded that the company was doing well. It has now entered into a second major enterprise which he felt had great promise.

MOTION:

Regent Williams moved to approve leases and agreements for the benefit of the university, as presented. Regent Greig 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.

PRESENTATION ON IOWA STATE UNIVERSITY'S EFFORTS OF RECRUITMENT OF WOMEN AND MINORITIES IN SCIENCE AND TECHNOLOGY.

Provost Glick introduced Mary Ann Evans, Assistant to the Provost and Program Director of Women in Science and Engineering, and Anna Pate, Assistant Dean of Engineering to make a presentation regarding the Women in Science and Technology program funded from Education for Economic Security Act, Title II, funds administered by the Board Office.

Assistant Dean Pate said there is a national need for women and minorities to participate in the natural sciences and engineering. Only 8.5 percent of high school graduates study natural sciences and engineering in college and only 1.5 obtain degrees in the sciences.

Assistant to the Provost Evans said the Iowa State University Women in Science and Engineering Committee began in 1986. From the beginning it has been a grass roots effort. The committee addresses socialization that has told girls they could not pursue careers in science and math. Its external advisory committee gets the word to all corners of the state. The committee has developed a national reputation. She noted that CBS News is doing a one-minute segment on the committee's innovative summer intern program. This year the committee sponsored two conferences at Iowa State University. They received 200 applications for internship positions and placed 33 students. The committee has identified 500 Iowa women who have agreed to act as role models. She referred to an exhibit set up at the front of the room which committee members take around the state to discuss teaching strategies that encourage girls to pursue careers in science and engineering. The committee has completed two videos in the last year which they will take to service organizations. The committee sponsored 4 teacher workshops for 120 educators. They have raised more than \$500,000 since this effort began.

Regent Hatch asked if there are any women full professors in the College of Engineering. Assistant Dean Pate responded that there is one woman full

professor, 2 associate professors and 7 assistant professors in the College of Engineering. Women participation in undergraduate engineering programs is greater than in the graduate programs. She said the College of Engineering has new initiatives to encourage women graduate students.

Regent Hatch asked how long it generally takes to become a tenured full professor in the College of Engineering. Assistant Dean Pate said it takes a little longer to become tenured in the College of Engineering than in other colleges although it should not take more than 7 years. She noted that the university established a new rule that in the case of a new baby being born a faculty member could have a one-year extension to their required tenure program. The length of time to obtain tenure depends on prior experience. She said she is very aware of the fact that professional development opportunities are key to retaining faculty. From her own personal experience she said it means more to become a full professor with credentials.

Regent Williams said it sounded like the climate in the College of Engineering is really improving. She asked if the support group geared toward helping young women has been accepted by the male faculty. Assistant Dean Pate said the male faculty is very supportive and recognize that society has changed.

Regent Furgerson stated that historically the role for Blacks in engineering was to teach because there were no opportunities in business. The business world has now opened up to Blacks. She asked if there is a competitive factor for the college in recruiting Black faculty. Assistant Dean Pate said recruitment has become increasingly more competitive. Every school works very hard to get the best student and especially the best Black student.

Regent Furgerson said college administrative officials need to encourage students to continue their education to the graduate level. Students need to know the benefits to continuing their education.

Regent Williams said the presentation was heartening and that the efforts spoke highly of the dean and the college administration. She encouraged them to keep up the good work.

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 Iowa State University. There were none.

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday, October 18, 1989.

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

MOTION: Regent Furgerson moved to approve the Register of Personnel Changes for September 1989. Regent Berenstein 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.

APPROVAL OF PROGRAM STATEMENTS AND DESIGN DOCUMENTS

Wright Hall Renovation

At the July Board meeting university officials received permission to proceed with project planning for the Wright Hall Renovation. University officials now requested Board approval of Brooks Borg and Skiles to provide architectural services for this project.

Wright Hall has not had a major renovation since its construction in 1914. The building contains 35,900 gross square feet of space. Renovation efforts will concentrate on providing updated facilities for the Department of Mathematics and Computer Science. This department has shown a marked increase in enrollment since 1980 when computer science became a formal part of that department. The faculty has increased dramatically from 19 in 1977 to 46 in 1989. The building is woefully outdated and unable to accommodate the academic program and faculty assigned to it.

PROJECT DESCRIPTIONS AND BUDGETS

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

<u>Wright Hall Renovation</u>	<u>\$2,700,000</u>
Source of Funds: State Appropriations	

Preliminary Budget

Contracts/Purchase Orders	\$2,102,000
Consultant and Design Services	235,000
Art Work	13,000
Miscellaneous	100,000
Contingencies	<u>250,000</u>
TOTAL	\$2,700,000

This project involves the remodeling of an academic building which contains 35,900 gross square feet of space and 23,362 net square feet of space. The remodeling efforts will concentrate on providing functional and updated facilities for the Department of Mathematics and Computer Science. Specific changes will include renovating the heating and ventilating system and providing air conditioning. Interior wall changes and aesthetics will be a major part of the renovation.

Classroom-Office Building--Equipment \$1,000,000
Source of Funds: State Appropriations

Preliminary Budget

Contracts/Purchase Orders	\$ 900,000
Contingencies	<u>100,000</u>
TOTAL	\$1,000,000

This project provides for the purchase of movable equipment and furnishings for the Classroom-Office Building which will be completed in July 1990. The equipment and furnishings will be selected and specified in-house and purchased under contracts, purchase orders, or state contracts.

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University officials presented one new project with a budget of less than \$250,000 that will be initiated in the coming months. The title, source of funds and estimated budget for the project were listed in the register prepared by the university.

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ARCHITECT/ENGINEER AGREEMENTS

Wright Hall Renovation \$177,500
Brooks Borg and Skiles, Des Moines, Iowa

In July 1989 the Board approved the university's request to proceed with the selection of an architect for the Wright Hall Renovation project. The university solicited proposals for architectural services and received responses from 21 firms. The Architectural Selection Committee narrowed the field to four firms to be interviewed. Approval was requested for the firm of Brooks Borg and Skiles Architects-Engineers of Des Moines, Iowa, to provide full architectural services for the project.

The agreement provides for basic services at a fixed fee of \$170,000, or the equivalent of 7.2 percent of the construction and contingency budget. Additional services will be at a multiple of 2.6 of direct personnel expenses and at fixed rates for principals. Reimbursable expenses shall not exceed \$7,500.

CONSTRUCTION CONTRACTS

Power Plant Replacement--Boiler Contract 214--
Emission Monitoring Equipment \$140,134
Award to: Enviroplan, Inc., West Orange, New Jersey
(2 bids received)

Power Plant Replacement--Boiler Contract 204--
Electrical and Controls \$563,430
Award to: Meisner Electric, Inc., Newton, Iowa
(6 bids received)

CHANGE ORDERS TO CONSTRUCTION CONTRACTS

Classroom-Office Building \$32,900
Story Construction Company, Ames, Iowa

University officials requested approval of a change order in the amount of \$32,900 to the Classroom-Office Building construction contract with Story Construction Company. This change order will enable the contractor to install additional fixed seminar tables with modesty panels and pedestals identical to those being installed under contract. These tables were deleted from the original bidding specifications to ensure the project would come within budget.

Change order pricing is consistent with the original contract amount adjusted for material price changes. The cost is in line considering the project was bid 16 months ago.

The change order process is the most economical, timely and efficient way to proceed to assure the same type of table. This change order will not require an increase in the current budget.

MOTION:

Regent Hatch moved to approve the university's capital register. 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 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, October 18, 1989.

REGISTER OF PERSONNEL CHANGES. The Board Office recommended the Board ratify the following personnel transactions:

1. Register of Personnel Changes for August 1989; and
2. Accept the resignation of DALE HOVINGA as Director of Student Life effective October 1, 1989. Mr. Hovinga has taken a similar position at the Mississippi School for the Deaf.

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

APPROVAL OF POLICY MANUAL. The Board Office recommended the Board approve the Iowa School for the Deaf Administrative Handbook.

In compliance with Iowa Department of Education rules, Iowa School for the Deaf submitted for Board approval an Administrative Handbook. The Administrative Handbook is modeled after a manual developed by the Iowa Association of School Boards. The revised Administrative Handbook corporal punishment policy standard is in agreement with the 1989 Iowa General Assembly decision.

Regent Hatch noted that she had talked with Assistant Attorney General Skinner about two other areas in the policies that need revision. Ms. Skinner felt the Board should approve the policy manual and bring the revisions back at a later date.

MOTION: Regent Furgerson moved to approve the Iowa School for the Deaf Administrative Handbook. Regent Berenstein seconded the motion, and it carried unanimously.

APPROVAL OF AGREEMENTS. The Board Office recommended that the Board approve three agreements among Iowa School for the Deaf, Loess Hills Area Education Agency 13, and Lewis Central Community Schools for services for hearing impaired students.

The Board was asked to renew these agreements which have been in place for several years.

Through the agreements selected hearing impaired students are mainstreamed at Lewis Central Community Schools with the assistance of special teachers and interpreters provided by Iowa School for the Deaf.

Loess Hills Area Education Agency helps fund the program by using funds received from the local school district where the participating student's family residence is located.

The agreements provide for a distribution among the three parties of administrative responsibilities for the mainstreamed students.

By one of the agreements physical and occupational therapy services are provided to the school's students by the Area Education Agency. One of the agreements provides that the school will furnish the Area Education Agency with a teacher for the hearing impaired to serve identified students within the boundaries of the Agency. The three agreements are looked upon as a single package to provide services to students at Iowa School for the Deaf and in the boundaries of the Area Education Agency.

MOTION:

Regent Greig moved to approve three agreements among Iowa School for the Deaf, Loess Hills Area Education Agency 13, and Lewis Central Community Schools for services for hearing impaired students. Regent Furgerson seconded the motion, and it carried unanimously.

APPROVAL OF ENDOWMENT FUND BUDGET, FY 1990. The Board Office recommended the Board approve the endowment fund budget for the Iowa School for the Deaf for fiscal year 1989-90.

The school is required by a Board of Regents policy to submit an annual endowment expenditure budget. The Board approved the Iowa Braille and Sight Saving School endowment fund budget in September. The Iowa School for the Deaf detailed budget for the 1989-90 fiscal year is shown below with total budgeted expenditures equalling \$30,000. The total expenditure figure represents 75 percent of the investment income estimated to be \$40,000.

Endowment Budget for the 1989-90 fiscal year:

Scholarships	\$ 1,500
Arts Festival	1,000
Playground Equipment	14,000
Misc. Other	<u>13,500</u>
Total	\$ 30,000

This budget is consistent with the endowment fund budget approved by the Board for the Iowa School for the Deaf last year and with the terms of the endowment.

MOTION: Regent Hatch moved to approve the endowment fund budget for the Iowa School for the Deaf for fiscal year 1989-90. Regent Furgerson seconded the motion, and it carried unanimously.

APPROVAL OF CHAPTER I RESTRICTED FUND PROGRAM BUDGET, FY 1990. The Board Office recommended the Board approve the Iowa School for the Deaf's Chapter I restricted fund program budget in the amount of \$59,516 subject to program approval by the Department of Education.

The proposed Chapter I program for fiscal year 1990 is for the instruction of hearing impaired students in physical education and adaptive physical education programming, as well as instruction for lower functioning, multi-handicapped students with unique educational needs. It is a continuation of last year's program.

The budget for the Chapter I program during fiscal year 1990 includes the salaries for two teachers, one in physical education and the other in elementary-level instruction. The program objectives in these two areas are:

1. To develop the gross and fine motor skills of hearing impaired students to follow as closely as possible age-appropriate guidelines.
2. To provide adaptive physical education programming for multi-handicapped hearing impaired students and to implement/augment occupational/physical therapy programming prescribed on student IEP's.
3. To provide the students with the opportunity to experience job-related skills and attributes in areas across campus.
4. To provide academic, social and career activities designed to increase the self-concept of the students.

MOTION:

Regent Hatch moved to approve the Iowa School for the Deaf's Chapter I restricted fund program budget in the amount of \$59,516 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 the Iowa School for the Deaf.

Regent Tyler asked if Superintendent Johnson had received any comments in response to the statement he distributed regarding the Higher Education Task Force's recommendation on the governance of the special schools. Superintendent Johnson said he had not received any comments from the task force members. He said he would attend the hearing in Council Bluffs the following day.

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Wednesday, October 18, 1989.

RATIFICATION OF ACTIONS REPORTED IN THE REGISTER OF PERSONNEL CHANGES. The Board Office recommended the Board approve the Register of Personnel Changes for the period August 20 through September 30, 1989.

MOTION: Regent Furgerson moved to approve the school's personnel register. Regent Berenstein 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.

Superintendent Thurman thanked the Regents for their stand on the issue of governance of the special schools.

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.

MOTION: Regent Tyler moved to enter into closed session. Regent Furgerson 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 5:16 p.m. on Wednesday, October 18, 1989, and arose therefrom at 5:53 p.m. on that same date.

IOWA BRAILLE AND SIGHT SAVING SCHOOL
October 18, 1989

ADJOURNMENT. The meeting of the State Board of Regents adjourned at
5:05 p.m., on Wednesday, October 18, 1989.



R. Wayne Richey
Executive Director