

The State Board of Regents met on Wednesday, October 19 and Thursday, October 20, 1988, at the Dubuque Inn. The following were in attendance:

	<u>October 14</u>	<u>October 15</u>
<u>Members of State Board of Regents</u>		
Mr. Pomerantz, President	All sessions	All sessions
Mr. Duchon	Excused	Excused
Mr. Fitzgibbon	All sessions	All sessions
Mr. Greig	All sessions	All sessions
Dr. Harris	All sessions	All sessions
Mr. Tyler	All sessions	All sessions
Miss VanEkeren	All sessions	All sessions
Mr. VanGilst	All sessions	All sessions
Mrs. Williams	All sessions	All sessions
<u>Office of the State Board of Regents</u>		
Executive Secretary Richey	All sessions	All sessions
Director Barak	All sessions	All sessions
Director Eisenhauer	All sessions	All sessions
Director Volm	All sessions	All sessions
Director Wright	All sessions	All sessions
Associate Director Jensen	All sessions	All sessions
Associate Director Kading	All sessions	All sessions
Assistant Director Peters	All sessions	All sessions
Minutes Secretary Briggie	All sessions	All sessions
<u>State University of Iowa</u>		
President Rawlings	All sessions	All sessions
Vice President Phillips	All sessions	All sessions
Vice President Vernon	All sessions	All sessions
Associate Vice President Small	All sessions	All sessions
Assistant to President Mears	All sessions	All sessions
Professor Montgomery	All sessions	All sessions
Director Cooper	All sessions	All sessions
Director Gibson	All sessions	All sessions
<u>Iowa State University</u>		
President Eaton	All sessions	Excused at 11:27 a.m.
Exec. Vice President McCandless	All sessions	Excused at 11:27 a.m.
Vice President Glick	All sessions	Excused at 11:27 a.m.
Vice President Madden	All sessions	Excused at 11:27 a.m.
Vice President Thielen	All sessions	Excused at 11:27 a.m.
Assistant to President Bradley	All sessions	Excused at 11:27 a.m.
Director Lendt	All sessions	Excused at 11:27 a.m.
Assistant to Vice President Pickett	All sessions	Excused at 11:27 a.m.
<u>University of Northern Iowa</u>		
President Curris	All sessions	Excused at 11:31 a.m.
Vice President Martin	All sessions	Excused at 11:31 a.m.
Vice President Conner	All sessions	Excused at 11:31 a.m.
Vice President Follon	All sessions	Excused at 11:31 a.m.
Vice President Mitchell	All sessions	Excused at 11:31 a.m.
Exec. Ass't. to Pres. Stinchfield	All sessions	Excused at 11:31 a.m.
Assistant to President Gadelmann	All sessions	Excused at 11:31 a.m.
Director Chilcott	All sessions	Excused at 11:31 a.m.
<u>Iowa School for the Deaf</u>		
Superintendent Johnson	All sessions	Excused at 11:07 a.m.
Business Manager Ahrens	All sessions	Excused at 11:07 a.m.
<u>Iowa Braille and Sight Saving School</u>		
Superintendent Thurman	All sessions	Excused at 11:10 a.m.
Director Hauser	All sessions	Excused at 11:10 a.m.

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The following business pertaining to general or miscellaneous business was transacted on Wednesday, October 19 and Thursday, October 20, 1988.

APPROVAL OF MINUTES OF BOARD MEETING, SEPTEMBER 14-15, 1988.

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

ACTION: President Pomerantz stated the Minutes of the September 14-15, 1988, meeting were approved by general consent.

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

REPORT OF INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. (a)
Ph.D. Program in Molecular Biology - State University of Iowa. The Board Office recommended the Board approve the request for a Ph.D. in Molecular Biology at the University of Iowa pending collaboration of the division of responsibilities between Iowa State University and the University of Iowa to ensure that the major focus of the research and teaching is not unnecessarily duplicative before the Board makes its decision.

The University of Iowa proposed a Ph.D. in Molecular Biology. The Interinstitutional Committee reviewed this request and submitted both majority and minority reports. The majority recommended approval and the minority recommended a study of costs and potential duplication. The Board Office recommended that Iowa State University and the University of Iowa ensure the Board that the major focus of the Molecular Biology research and teaching is not unnecessarily duplicative.

The Board Office noted that other than the potential for duplication, the proposed program meets the Board's criteria for new program approval.

Vice President Glick stated that Iowa State University has a comparable molecular biology program; however, that program has special strength in agricultural biology. He believed University of Iowa and Iowa State University officials could work closely together. There is already a history of sharing of expertise in molecular biology.

Regent Tyler complimented Vice President Martin on his minority report and stated that it showed that requests for new programs were not just "rubber stamped".

Regent Harris said he believed both programs were necessary and would complement each other.

MOTION:

Regent Harris moved to approve the request for a Ph.D. in Molecular Biology at the University of Iowa pending collaboration of the division of responsibilities between Iowa State University and the University of Iowa to ensure that the major focus of the research and teaching is not unnecessarily duplicative. Regent Greig seconded the motion, and it carried unanimously.

Regent Williams said she agreed with the action and appreciated the Board Office recommendation. She asked that university officials ensure there is no unnecessary duplication.

President Pomerantz asked for a continuation of the cooperation exhibited by Vice President Glick's statements. He said it was essential as they move through the formulation period of this program that unnecessary duplication at every level should be minimized.

Regent Fitzgibbon asked if the Regents would receive a written document outlining the cooperative efforts. Vice President Glick said they would be happy to provide such a document.

(b) Transportation and Research Center - Iowa State University and University of Iowa. The Board Office recommended the Board approve the request from Iowa State University and the University of Iowa to establish a university transportation research center for Federal Region VII.

This request is for a Center for Transportation funded with federal and state funds. Additional state funds will be needed in future years. The Center will have a budget of about \$1.1 million supported by federal funding (\$500,000), Iowa Department of Transportation contributions (\$350,000), and Iowa State University and the University of Iowa commitments (about \$275,000).

The Center will conduct a multi-disciplinary, inter-university research program. It is a joint Iowa State University and University of Iowa project.

Approval was recommended by the Board Office and the Interinstitutional Committee on Educational Coordination.

Vice President Glick introduced the co-directors of the center, Ben Allen (ISU) and David Forkenbrock (SUI).

Professor Allen stated that this center resulted from a competitive process. One center was selected from each of the federal regions. Region 7 consists of the states of Iowa, Nebraska, Kansas and Missouri. The goals of the center are to conduct research which will create knowledge and help address transportation problems and educational services. There will be involvement of both graduate and undergraduate students.

Professor Forkenbrock stated that four of the ten federal centers will have a unique theme. Their theme is strategies and actions. He noted that Iowa is transportation dependent. This center represents the largest joint research effort between Iowa State University and the University of Iowa. The co-directors view the program as catalytic in nature. They will extend the program geographically to involve other universities in the region.

Regent VanGilst asked if the universities would be required to provide some matching funds in order to attract additional funding.

Professor Forkenbrock responded that they will be working with the rest of the region to develop matching funds.

President Pomerantz asked if in the future federal funds are no longer available do they have contingency plans to fund the center.

Professor Allen said they hope that at the end of 4 years there will be such a level of interest that they would hardly notice if the \$500,000 federal contribution terminates.

MOTION:

Regent VanGilst moved to approve the request from Iowa State University and the University of Iowa to establish a university transportation research center for Federal Region VII. Regent Tyler seconded the motion, and it carried unanimously.

ACCREDITATION REPORTS. (a) Masters Degree Program in Speech-Language Pathology and Audiology - University of Northern Iowa. The Board Office recommended the Board receive the report on accreditation of the Masters Degree Program in Speech-Language Pathology and Audiology.

The Masters Degree program in Speech-Language Pathology and Audiology at the University of Northern Iowa was reaccredited for five years. The site visitors noted some areas of concern, such as program funding, but were primarily very positive about the program.

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Regent Williams asked how long the Master's program has been in place. Vice President Martin responded that it had been in place for about ten years.

Regent Williams asked if University of Northern Iowa officials work cooperatively with the University of Iowa graduate speech program officials.

Vice President Martin responded that they do. He said some of their staff have trained at the distinguished program at the University of Iowa. He noted that the University of Northern Iowa program is oriented toward providing speech therapists.

ACTION: President Pomerantz stated the Board received the report on accreditation of the Masters Degree Program in Speech-Language Pathology and Audiology by general consent.

(b) Bachelor and Master of Architecture Degrees - Iowa State University. The Board Office recommended the Board receive the report on accreditation of the Bachelor and Master Degrees in Architecture at Iowa State University.

The Bachelors and Masters programs in Architecture were reaccredited for five years. The accreditors indicated that any concerns they have of the program as a result of this evaluation are minor.

ACTION: President Pomerantz stated the Board received the report on accreditation of the Bachelor and Master Degrees in Architecture at Iowa State University by general consent.

ANNUAL REPORT OF COMMITTEE OF REGISTRARS. The Board Office recommended the Board receive the annual report of the Regents Registrars and Admissions Officers Coordination Committee and request a report on high school students taking college courses.

The committee's annual report focused on three areas of activity by the committee last year: residency, high school relations, and admission and transfer matters.

In its relationship with the high schools, the committee continues to prepare a report by school on the first year academic performance of new freshman at Regent universities. This report is distributed to each Iowa high school. Feedback from the school officials indicates that they appreciate this effort on the part of the universities and that the report is quite useful in the evaluation of their instructional programs. The committee also met with high school representatives for the fourth year and discussed the freshman year report and Regent admission requirements. These annual meetings have been productive and foster enhanced communications between the high schools and the university personnel.

The committee also discussed college courses taken by high school students and noted that the Regent universities have problems in doing so. Since the Board has not been a party to the discussion concerning college courses taken by high school students, it was recommended that a report be prepared for the Board to be received in early-spring 1989. The report should contain a discussion of this issue, problems and concerns, and proposed solutions. Related to this issue is House File 499, which allows an eligible high school student to enroll for academic credit in certain Iowa postsecondary institutions. Reimbursement for these courses is paid by the sending high school. The Regent universities are in the process of developing procedures to handle this tuition reimbursement from the local school districts.

With respect to admission and transfer, the committee distributed information regarding high school course requirements for admission to the Regent universities. A common poster for the Regent universities giving information was prepared for distribution. This was reported to the Board last spring. The committee also reviewed the policy on transfer of college credit from two-year colleges and made policy determinations concerning the transfer of credit from the American Institute for Business in Des Moines, Palmer College of Chiropractic in Davenport, the University of Osteopathic Medicine and Surgery in Des Moines, and Northwest Iowa Technical College in Sheldon. The possibility of common transfer grade point average admission requirement for the Regent universities was discussed, but no actions were recommended at this time.

Registrar Leahy stated that there is a subcommittee from the Regents Committee on Educational Relations to deal with the issue of minority admissions. The subcommittee is expected to report to the full committee by its February 1 meeting.

In regard to the Board Office staff recommendation that the registrars present a report in early-Spring concerning the matter of high school students taking college courses, Registrar Leahy said he did not want to leave the impression that the institutions are opposed to high school students taking college courses. He noted that legislation was passed last year to have the high schools pay for some college courses. He said that is a separate issue. The issue being discussed by the committee is the course requirements for admissions and what happens if a student doesn't have high school courses but has college courses.

Regent Williams said the reporting being done between the Regent universities and the school districts is one of the key linking factors among the sectors. She noted that a lot of school districts still feel they do not link well with the Regent universities of this state.

ACTION: President Pomerantz stated the Board received the annual report of the Regents

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Registrars and Admissions Officers
Coordination Committee and requested a
report on high school students taking
college courses by general consent.

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

The October meeting of the Coordinating Council took place at Indian Hills Community College in Ottumwa. As a part of the statewide studies being undertaken concerning higher education in Iowa, the Coordinating Council established a committee to review the by-laws of the Coordinating Council. The Coordinating Council heard a report on the activities of the Iowa Coordinating Committee for Continuing Education, a subgroup of the Coordinating Council representing continuing education staff from all sectors of postsecondary education in Iowa.

The Coordinating Council heard a report and had an extended discussion on the "outcomes assessment" movement in higher education. Through various techniques institutions of higher education and boards for higher education in other states have initiated major projects concerning outcomes assessment. Several states have testing programs to assess student learning. Standardized tests, however, are not the only way in which outcomes measures can be taken nor are they necessarily the most desirable. Other methods include transcript reviews, external examiners, portfolio reviews and follow-up with employers.

The area schools submitted a list of programs from the merged area schools in which program approvals have been rescinded. Some 96 programs were proposed by the Department of Education for termination. These were all programs that are not currently operational.

Gary Nichols, Executive Director of the Iowa College Aid Commission, gave a report on the status of the Summer Institute Program for teachers. He indicated that the College Aid Commission will be deciding on a position regarding legislative requests to continue this program at its next meeting. A subcommittee that included Mr. Richey recommended that the Commission seek funding for the program but for restricted purposes only. Coordinating Council members raised some concerns about the current Summer Institute Program including the problems of meeting the eight week requirement (i.e. all Summer Institutes must be eight weeks in length) and the timing of the grants which makes effective planning difficult.

Regent VanGilst noted that Regent Williams is a member of the bylaws committee. He was pleased that the Regent institutions have been so well represented at the meetings lately.

Regent Williams said they discussed the issue of the summer institute program which was designed for teacher enrichment during the summer months. Colleges throughout the state have an opportunity to provide 8 week options for teacher enrichment purposes. There was a feeling on the part of the people working on this issue that critical areas of shortage should be addressed, such as health education and kindergarten and elementary school guidance.

Regent Fitzgibbon said that input they have could be an important factor to the committee studying statewide higher education.

Regent Williams stated that many of the members of the Coordinating Council are members of the joint statewide study committee.

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

REPORT ON IOWA COLLEGE AID COMMISSION MEETING. The Board Office recommended the Board receive the report.

The major issue on the October agenda of the Iowa College Aid Commission was approval of budget requests for fiscal years 1990 and 1991. The requests for the Iowa Tuition Grant Program for students in the independent colleges and universities in the state and for the Iowa Vocational Technical Tuition Grant Program will be presented to the Governor and General Assembly on the basis of several assumptions. The maximum "entitlement" for the tuition grant request under the formula utilized by the Iowa College Aid Commission would be \$38,724,000. The current appropriation is \$28.9 million. This maximum would cover the entire number of Iowa residents eligible for tuition grants on need basis at a maximum grant of \$2650. The \$2650 is the average amount of state subsidy for Regents undergraduate students based on unit cost studies less the average undergraduate tuition charge for resident students.

The Commission requested a significant increase in the Iowa College Work-Study Program that was started in fiscal year 1988. The standing appropriation for this program is currently at \$2,650,000. The institutions of higher education throughout the state including Regent institutions requested that the Commission propose a substantial increase for this program. The program is quite similar to a federal work-study program that has been in existence for many years.

The Commission requested continuance of the program initiated by the General Assembly for fiscal year 1989 for occupational therapists. It is a program that reimburses practicing occupational therapists in Iowa for loan payments under the Guaranteed Student Loan Program. The Commission has requested that a similar program be undertaken for certain nurse practitioners in fiscal year 1990. The nursing loan payment program would be designed to assist

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recent bachelor of science in nursing graduates who begin work in long-term care facilities in Iowa or recent graduates with advanced degrees who enter the teaching profession at Iowa nursing schools. Both of these areas were identified by the Iowa Board of Nursing to involve critical shortages of available personnel.

The Osteopathic Subvention Program initiated over a decade ago would be continued at its fiscal year 1989 funding level of \$715,000. The Commission also requested that funding for the Summer Institute Program be reinstated at a level of \$750,000. Regent institutions participated in this program.

Regent Tyler referred to correspondence the Regents received from Mr. Richey regarding default rates for Guaranteed Student Loans for students in Iowa colleges and universities. He said the report shows that the information is as of June 30, 1988, but it doesn't indicate from when to June 30.

Mr. Richey responded that it was cumulative to June 30 and started around 10 years ago.

Regent Tyler said it pleased him that the Regent institutions have the lowest percentage of the default rates. However, he said students that have attended the Regent institutions have an \$11.5 million default debt. He felt that someone ought to be concerned enough to do something about that.

Mr. Richey stated there is great national concern about the defaults. The Iowa College Aid Commission has been tighter in its controls against default. He said they strongly encourage co-signers and then collect from those co-signers. He said those concerns are being addressed.

Vice President Madden said he recently received copies of proposed regulations from the federal Department of Education that will require substantial changes in collection of loans. They are proposing to terminate eligibility of loans that have a default rate of above 20 percent. There will be changes in the refund policy which will permit students to receive refunds over a longer period of time. The comment period is through February 28. He said he would be happy to come back to the Board with more information.

President Curris stated that when he went to college the educational institutions made decisions as to whether students got loans. The institutions have obligations to certify that students have certain needs but the final determination is handled by banks. The institutions are at the mercy of non-institutional personnel since they don't make the decision on who gets the loan. He said the problem is going to get worse. The costs to students have been going up dramatically to go to college. Accompanying that is a major shift of financial aid toward loans. A student attending a public university comes out of college with indebtedness of \$12,000 to \$15,000.

Regent Tyler said they should not absolve themselves of responsibility to assist with collections.

Vice President Vernon said there is a movement across the country to forgive debts of graduates who go into the public service area.

President Eaton stated the problem was compounded by changing the tax law two years ago. He said the nation has created a disincentive for people to go to graduate school and to take public service jobs. Some governments realize the value of graduate schools. Most large graduate universities have very large proportions of foreign students whose educational costs are supported by their governments. Those graduate students then become key aids in laboratories and classrooms. That contributes to the problem of non-English speaking people delivering undergraduate education. He said this whole thing has much larger dimensions. Federal policies led us into this situation.

President Eaton expressed concern about the requested increase of 34 percent in the budget of the Iowa Tuition Grant Program. He said the program was initiated in part to help independent colleges assist with enrollment growth that the Regent universities couldn't handle. The Regent universities are now experiencing a period of enrollment decline which is expected to continue into the middle-1990s. He questioned why they are creating still more large programs of this kind.

Regent Williams said she shared President Eaton's concern. She said the Regents have undertaken the organizational audit to cut back as far as they can to make their universities as efficient as possible. She said they must now look at the whole picture. She said no institutions, private or community colleges, were being examined internally as much as the Regent universities. She felt it deserved comment on the part of the Regents.

Mr. Richey stated that this is a program of twenty years standing. The first segment of the request is to increase the grant from \$2,350 to \$2,500 which would require \$1,867,000. The second level is increase the grant to \$2,650, which is the maximum the formula produces. The third level is to provide the grant to all eligible students in the private colleges, based on need.

Regent Williams stated that request # 4, to provide funds for 2,650 additional awards, is the part that really troubles her. That request is being made at a time when enrollments are declining. She said she acknowledged the need to increase the grant amount but to increase the number of additional awards would be inappropriate at this time.

Regent Greig said that for 20 years the Regents have supported this program. However, when the Regents testify before the Legislative Higher Education Task Force they might suggest this program should be looked at.

Regent VanGilst said he served on the subcommittee initiating the Iowa Tuition Grant Program. He thought that President Eaton was not properly informed as to the purpose of it. He said that in this state we have the best educational system and educational opportunities for our children that are second to none. He said the purpose of the program was to fund independent colleges so the tuition would be about the same as the Regent institutions. First the students have to pay up front what it costs to go to a Regent institution. He said he supports that program and he felt that the place they should have talked about this was at the Coordinating Council meeting. He feels they should support all of higher education.

Regent Fitzgibbon expressed concern that decisions made about these kinds of programs will affect education for the next 20 years. He cautioned that they should be very careful of the position they take. He suggested they spend some time as a group to develop an opinion.

President Pomerantz said he thought there was a high risk if they start to deal with pieces of the educational structure isolated by themselves. He said the issue for the Board of Regents is to have enough state appropriations to deal with their needs. They should look at the entire package.

ACTION: President Pomerantz stated the Board received the report of the meeting of the Iowa College Aid Commission as a consent item.

President Pomerantz stated that following this meeting Regent Tyler, Mr. Richey and he would be going to the legislative committee hearing in Clinton. He said he wanted to be clear that the Board's position on the funding for the Iowa Tuition Grant Program was to support the existing level of appropriation. There was a general consensus of the Board that that was the position of the Board.

ANNUAL REPORT ON FACULTY RESIGNATIONS. The Board Office recommended the Board accept the annual report of resignations for the period July 1, 1987, through June 30, 1988.

Faculty resignations at the Regent universities were down dramatically in 1987-88. There are indications that this is a result of the Regents three-year program for improving faculty salaries.

Faculty resignations at Iowa State University decreased from 43 in 1986-87 to 35 in 1987-88, at the University of Iowa from 97 in 1986-87 to 64 in 1987-88, and at the University of Northern Iowa from 25 to 23 in the same years.

At all three universities the faculty resignations in 1987-88 were below the average number of resignations in the previous decade. Generally, the

distribution of resignations has shifted from full professors to the lower professorial rank.

The percentage of resignations from women faculty increased at all three universities.

The reason given for the majority of resignations was to accept a position at another university. Nine percent of the resignations at Iowa State University, 4 percent at the University of Northern Iowa, and 8 percent at the University of Iowa were for persons accepting positions at a university in the comparison group.

Geographically, two-thirds of the faculty resigning at the three Regent universities relocated to the southern or eastern part of the United States.

Resignations at the two special schools are below the average for the previous decade.

Regent Williams said she was pleased to see that the Board Office echoed the universities in expressing concern about the loss of women and younger faculty members. She said they have to face the fact that qualified women faculty are in great demand in this country. If something at the Regent universities is making them not competitive they have to stop it and start doing something that will make them more competitive. After receiving the report from the Iowa Commission on the Status of Women concerning the University of Iowa she said she knows they are trying to improve conditions for female faculty. She wants to see some action in the next two years. When they lose more female faculty than they gain they are in trouble.

President Pomerantz said there is more demand across the country for women faculty members. The economy will follow that supply and demand.

Regent Williams stated that it is more than pay.

Vice President Vernon said he thinks it's more than economics, also. The University of Iowa Council on Women said they are not providing a sufficient support base for some of the younger women faculty members. There are no senior people to look to as role models. University officials are trying to establish an effective mentoring program across campus.

Vice President Glick stated that one thing Iowa State University officials are doing is arranging informal meetings between deans and other key leaders and selected women and minority leaders to sensitize the leadership to what the problems are.

Regent Fitzgibbon said they have to recognize that we have a very mobile society. They should concentrate on the total environment in which a person

will participate and offer the kind of environment that is desired. Once they develop that environment they need to market it.

President Pomerantz said that when faculty go to other universities they can't possibly know what environment they are going into. The universities need to consider all of the factors and not lose people because of the economics.

Regent Williams noted that next month the Way Up Conference is being held. The conference is extremely critical to women interested in higher education leadership. She asked that they have the visibility of each of the universities there. Persons present will hear some things they may not hear in the university communities. She encouraged everyone to attend.

ACTION: President Pomerantz stated the Board accepted the annual report of resignations for the period July 1, 1987, through June 30, 1988, by general consent.

OFFICIAL ENROLLMENT COUNT. The Board Office recommended the Board receive the official enrollment count on Regent institutions.

The official headcount enrollment for Fall 1988 has decreased 0.2 percent (from 66,271 to 66,150) at the three Regent universities.

Fall 1988 headcount increased from 0.3 percent (97 students) at the University of Iowa and 0.4 percent (41 students) at the University of Northern Iowa over enrollments in Fall 1987. Enrollment at Iowa State University declined by 1 percent, or 259 students.

The official full-time equivalent (FTE) enrollment declined by 0.17 percent (from 57,982 to 57,883) at Regent universities in Fall 1988.

Fall 1988 full-time equivalent enrollments increased by 2.3 percent (223) at the University of Northern Iowa and 0.3 percent (68) at the University of Iowa over Fall 1987 FTE enrollments. FTE decreased by 1.6 percent (390) from Fall 1987 enrollment at Iowa State University.

The National Center for Education Statistics estimates that higher education enrollment nationally may increase by less than one percent over last year's total.

In Fall 1988, nonresident enrollment accounts for 24.6 percent of total headcount enrollment at Regent universities. This is a decline from the 25.2 percent reported in 1987. Nonresident undergraduate enrollment has declined at the University of Iowa and Iowa State University and increased at the University of Northern Iowa by -0.7 percent, -7.0 percent, and 14 percent, respectively.

The official enrollment at the Iowa Braille and Sight Saving School increased from 54 to 55, while enrollment at the Iowa School for the Deaf declined from 115 to 108. During the course of the year, students come and go at the two special schools so that enrollment at the two special schools fluctuates.

Director Barak stated that next month they will have the enrollment projections developed at each of the universities.

President Pomerantz said it was clear that no one can predict enrollments. He said the facts are that more Iowa students go to universities than other states and more to Iowa universities. They need to accommodate those students. The question is how best rationalize this system. The projections for declining enrollments have not been accurate. We have more students than had been forecasted. They built assumptions on lower projections and are now understaffed and unable to provide the kind of education they must.

ACTION: President Pomerantz stated the Board received the official enrollment count on Regent institutions by general consent.

REPORT ON STATEWIDE STUDIES OF POSTSECONDARY EDUCATION. The Board Office recommended the Board (1) receive the report on the status of the Statewide Studies of Postsecondary Education and (2) discuss the issues that may be considered in the hearings being held by the Legislative Higher Education Task Force.

The work of the Joint Statewide Study of Postsecondary Education is continuing with the collection of data on postsecondary education and the analysis of that data by the consultants. Numerous contacts have been made with the Board Office regarding this data collection effort and staff are assisting the consultants in collection and analysis.

The next meeting of the steering committee is scheduled for November 18. The final report on the Statewide Study is due in December 1988.

Regent Williams asked for clarification of a statement attributed to President Eaton concerning his support for a statewide plan for higher education in Iowa with an "overarching, oversight" board.

President Eaton said the state needs a master plan for education. California was a pioneer in that area. In the 1950s its educational system was growing very rapidly. They realized they needed a plan that would take a look at all the different levels of education. They created a tiered system. The first tier was specifically designed to accommodate the very best students in the state at the graduate level. The next level of the tier was 4-year colleges. Entrance requirements to those were less than for the graduate colleges. The next in the tier were junior colleges which are similar to area community

colleges. He said it was a very dynamic system which allowed them to grow. He said the most difficult thing about making decisions about budget allocations is that they are essentially ad hoc decisions. They have very little information at hand to allow them to make intelligent decisions. He said he also went on to suggest there is no one sitting in common judgment. The Iowa Board of Regents is for their three universities. The design of the area community colleges is for their individual boards to govern those. He said there needs to be some common oversight for all of this; otherwise, they will stay in a highly competitive mode. He said he did not say Iowa needed a "super board". He said they need to look at the systems in California, Texas and North Carolina to see how other states have approached this problem.

ACTION: President Pomerantz stated the Board received the report on the status of the Statewide Studies of Postsecondary Education by general consent.

REPORT ON ORGANIZATIONAL AUDITS. (a) Progress Report. The Board Office recommended the Board (1) receive the progress report on the Organizational Audit and (2) allocate \$2,500 to the general account held at the University of Northern Iowa for additional expenses to the Board and Board Office for the organizational audits to be contributed by the institutions in accordance with the formula established for the prior allocation for this purpose.

The various organizational audit studies are moving forward although there are some postponements in presenting some of the final project reports.

The audit of budgeting processes is completed and was before the Board at this meeting.

Recommended Board Office staffing additions have been made by the consultants including a Director of Planning and Policy Analysis and an Associate Director of Academic Affairs.

The Board Office was notified by the business office at the University of Northern Iowa that funds for the administration of the Organizational Audit program by the Board and the Board Office were practically exhausted. It was recommended that an additional \$2500 be allocated to this account to be paid by each of the institutions in proportion to contribution to the original sum of \$10,000 established for this purpose.

(b) Budgeting Processes. The Board Office recommended (1) that the Board receive the Organizational Audit report by Peat Marwick Main and Co. on the revised Board of Regents budgeting process and forms and (2) that the report be referred to the priority study groups on Financial Performance Reviews and Capital Development and Oversight Procedures for preparation of detailed proposals to implement the recommendations contained therein for consideration of the Board of Regents at its December 14-15, 1988 meeting.

Peat Marwick Main and Co. submitted the final Organizational Audit report on the Board's budgeting process and related forms. The overall goal of the report is to improve the Board's fiscal management and oversight.

There are four valuable elements of the Board's current process that the consultant suggests should be retained: interinstitutional cooperation, guidelines set by the Board Office, new capital procedures, and emphasis on summary information for the Board rather than detail.

Fourteen specific findings along with specific recommendations regarding the findings may be grouped into three major categories: 1) Budgeting processes should be linked to strategic planning, 2) the Board's oversight of budgets and expenditures should be improved, and 3) consistency among institutions should be stressed and adequate resources should be provided in order to adequately develop and analyze budget requests and operating budgets.

Mr. Richey introduced Dr. Alceste Pappas.

Dr. Pappas said they had just received the first cut of the recommendations for the Board Office structure and staffing levels. They expect to review that at the November meeting in detail. The report will be sent to Mr. Richey on November 1. Ms. Pappas is currently involved in evaluating the methodology for program review. The final report is due in December. The study of areas of potential program duplication will be finished in January. Starting next week the consultants will be reviewing the issue of length of time required to complete undergraduate degrees at the institutions. They have just begun collecting data for performing a funding analysis. It was originally scheduled to be finished on October 21; however, that has been extended and will be completed around January 1, 1989. They are now reviewing the financial management and reporting capabilities. That will be finished in the next 3 to 4 weeks. The review of the Board of Regents budgeting process will be discussed shortly. The individual effort at the campus level will be finished within the next few weeks. The methodology for an analysis of the physical plant has now been defined. She has received a draft document assessing the adequacy of the evaluation procedure. That report will be sent to Mr. Richey in the next week.

In regard to the audit review of the University of Iowa, Dr. Pappas said they have spent an enormous amount of time on the campus. The most time has been spent on the areas of organizational and staffing analysis and the mission of the University Hospitals and Clinics. They are now waiting for a response from the campus on the organized study of the non-academic areas. A recommendation on that study will be forwarded to President Rawlings within the next ten days. The consultants hope to present that at the November or December Board of Regents meeting. The consultants have finished the review of the mission of the University Hospitals and Clinics. Last Friday the

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people involved with the financial management review went over their recommendations with Vice President Phillips.

Dr. Pappas said the consultants have spent an enormous amount of time on the campus at Iowa State University. At every juncture they get together with the deans to discuss their findings. The consultants are now at the point where they have completed inputting. They expect to have a recommendation to President Eaton by Thanksgiving. They have spent a considerable amount of time looking at the adequacy of internal audit procedures and purchasing practices.

Beginning October 24 or 25 the consultants will be spending time on the University of Northern Iowa campus in earnest. Ms. Pappas noted that as they are going through the audit review processes they are looking not only at cost containment but also revenue enhancement. In December they will have at least two reports to review in depth with the Board.

Dr. Pappas stated they have draft reports for the two special schools. She noted that President Pomerantz had asked that they put together executive summaries for the Board members.

Regent Fitzgibbon said he thought the consultants had done a good job. However, he expressed concern that it seemed they were heading in the direction of taking away some of the administrative responsibilities that should be in the hands of the presidents and not the Regents. He said the Board of Regents sets policy and stays out of administration.

Dr. Pappas responded that the Board of Regents is responsible for each of the institutions. She said the consultants feel very strongly that the Regents should not be involved in the day-to-day operations. What they tried to do was to walk the fine line of governance the Board of Regents needs in order to know what the academic priorities of the campuses are and that the dollars being spent are congruent with that. She said the Board of Regents needs summary program-focused information so that they can see that a new proposed program degree is consistent with the mission. The Board needs to know in general programmatic terms where program enhancements need to be made.

President Pomerantz referred to the issue of management information systems. He said that while the systems are common to the most possible degree practical that does not infer that each campus is part of a total system. They are building a management information system block by block to ensure they don't duplicate and replicate.

Dr. Pappas stated that this piece is going to link directly up with the other three pieces. The other missing piece which is very critical is the whole financial management area. That will enable the Regents to know the resources are going to serve the institutions.

Dr. Pappas said they tried to devise a set of forms that would be standard across the institutions. Hopefully they are extending the length of time for the budget to be developed so it is not as crazed for everyone.

Regent VanGilst asked where they get the 75 percent of base figure?

Director Eisenhower said it's in the statute.

President Pomerantz said the way this process works is not simple because they don't go back to zero base. Shortcuts are taken year after year. Seventy-five percent or 85 percent is a difficult concept. Seventy-five percent is understandable. Start with that and build on it.

Regent VanGilst said the problem is that to make it 75 percent they will have to cut out the programs the legislators will not want to cut.

Regent Fitzgibbon said that as a Board member it is difficult to deal with an \$800 million budget, which is one of their main responsibilities. He said the consultants are addressing that.

President Pomerantz said hopefully they will put all of this on computers so they can get information with greater ease.

Regent Fitzgibbon said he couldn't imagine they had to do so many things manually.

President Eaton referred to the consultant suggestion that:

All redistributions of funds totalling less than \$100,000, and which are consistent with the approved redistribution plan, would then be reported after the fact. Redistributions which total more than \$100,000 and/or are not made in a manner consistent with the approved redistribution plan would require prior Board approval.

President Eaton said that made no sense. That figure is 2/10 of 1 percent of their total budget.

President Pomerantz said that may be the wrong number but the concept is what they are dealing with now. He said the intent is not to hold them down so much that they can't function. What is at issue is that the presidents have control of the universities and that the Regents have the appropriate methodology to carry on their responsibilities and focus on issues as they present themselves. He said they are not adversarial ideas. He said it serves their mission to work together to achieve the best they can achieve.

Regent Greig said he agreed that the figure is wrong and the concept is right. He asked at what stage they can correct those figures.

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Dr. Pappas responded that in terms of refinement and clarification they will be working with the Board Office. In January or February the documents will be reflective of final drafts.

Regent Williams said she assumed the institutions will also be included in those discussions.

Regent Fitzgibbon stated that at some point the Board needs to discuss the reports among themselves.

President Pomerantz suggested that perhaps the December meeting and part of the November meeting could be dedicated to the organizational audit to go through the process in detail.

President Curris said he thought there was general consensus that the Board wants to be involved in the policy making area and that they expect the presidents to do their jobs. One thing President Curris said he found a little troubling was that the purpose of the organizational audit is to make the institutions more efficient but in his initial review of the document it seems that they are moving toward greater inefficiency. He said a problem experienced on campuses is that they are awash in paper. There is too much information they have to routinely collect. Important information is sometimes buried in other information. At the University of Northern Iowa too much time is consumed by key personnel in detail collection and analysis. President Curris said that in the elongation of the budget consideration period it seems to be moving in the opposite direction they should be moving. What he views as a weakness in the report is that they don't seem to be led toward greater efficiency.

Dr. Pappas said that what they tried to do was to take that pre-appropriation time to talk about their real revenue needs and to hook that into their planning process. She said it needed to be coordinated with their planning process. The key management indicators will hopefully reduce the data but will give the information needed. They need to develop those few key information pieces.

President Pomerantz said that in the private sector he has heard the same kind of comment from management he's been involved with whenever he has undertaken similar audit projects. He said if they keep their eyes on the objective it will be better, but you have to believe that.

Regent Fitzgibbon asked if Dr. Pappas was saying it would take 5 years to get the computer involved in issuing the kinds of reports needed.

Dr. Pappas responded that she felt it would take at least 5 years, depending on which of the campuses is involved. There are different levels of sophistication. She said they were not just talking about financial types of information.

Vice President Phillips said she was delighted to see this is going to be referred to committees. She said she didn't think they could implement this report as it is now written at the University of Iowa because it would mean significant staffing implications.

President Pomerantz said he could guarantee the universities will have more in the way of transition than they would like to have and they may still have many of the objections she just noted. He said that any time you have a large institution that has gone down a certain path for so long and you want to change that, they will have significant adjustments to make. He knows there will be those issues.

MOTION:

Regent Williams moved to (1) receive the progress report on the Organizational Audit, (2) allocate \$2,500 to the general account held at the University of Northern Iowa for additional expenses to the Board and Board Office for the organizational audits to be contributed by the institutions in accordance with the formula established for the prior allocation for this purpose, (3) receive the Organizational Audit report by Peat Marwick Main and Co. on the revised Board of Regents budgeting process and forms and (4) that the report be referred to the priority study groups on Financial Performance Reviews and Capital Development and Oversight Procedures for preparation of detailed proposals to implement the recommendations contained therein for consideration of the Board of Regents at its December 14-15, 1988 meeting. Regent VanGilst seconded the motion, and it carried unanimously.

REPORT ON PRIORITY ISSUES. The Board Office recommended the Board receive the report on Priority Issues.

Status reports were presented on several Priority Issues. A detailed report was presented on the Priority Issue on Affirmative Action - Adoption of the Shavlik Principles. The report on the Shavlik Principles will be presented at the Way Up VI Conference on Women in Higher Education, November 10-11 in Cedar Rapids.

Activities on the remaining Priority Issues are moving along as quickly as staff and institutional personnel can address them.

Regent Harris stated that the priority issue committee he chaired dealt with Affirmative Action and more specifically the adoption of the Shavlik Principles. He said that a year ago there was a Way Up Conference held in Cedar Rapids in November. At that conference Donna Shavlik proposed 15 principles by which institutions of higher learning should be guided toward promotion of females and minorities. He was one of the responders to her speech that accepted, on the part of the Board of Regents and the institutions, the challenge of going over these 15 principles to see how the Regent institutions and the Board reacted to the principles. The promise was to return to the 1989 Way Up Conference and give a progress report. A committee with representation of the three universities and Board Office went through each of Shavlik principles and asked if it was in affect at each of the universities. In most instances it was. Regent Harris said he has received letters from each of the presidents supporting the Shavlik Principles.

MOTION: Regent Harris moved to adopt the Shavlik Principles. Regent Fitzgibbon seconded the motion, and it carried unanimously.

Regent Williams asked if Regent Harris would be presenting the responses at this year's Way Up Conference. Regent Harris responded that he would.

Regent Harris thanked everyone involved, especially the university presidents.

President Pomerantz thanked Regent Harris for his help in this area.

Mr. Richey said there were several other priority issue committees that will be at work soon. Staff is working on the development of basic information for the priority group on competition with private enterprise. The target for adoption of those new rules is January. He said that given the heavy load we already know is going to hit in January this may have to slip over to February. The committee will meet as soon as staff has the materials ready for it. Other issues include capital and financial performance, child care, and unit cost study. Staff is trying to keep these moving but there is a question of dovetailing a lot of those with the organizational audit.

Regent Williams asked about the progress of the unit cost study priority committee.

Mr. Richey said that will be a major report when it comes to the Board.

Regent Williams asked for the timeline.

Director Eisenhower said there will be an initial report submitted to Mr. Richey by November 1, then we go from there.

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

BUDGET REQUESTS FOR FISCAL YEARS 1990 AND 1991. (a) Operating Budgets. The Board Office recommended the Board (1) approve the following operating budget requests for fiscal year 1990 and fiscal year 1991.

	<u>FY 1990</u>	<u>FY 1991</u>
Expenditures		
University of Iowa		
General University	\$243,938,011	\$256,384,487
University Hospitals	206,215,500	212,892,700
Psychiatric Hospital	10,918,885	11,228,530
Hospital School	6,049,385	6,213,374
Oakdale Campus	3,228,961	3,310,636
Hygienic Laboratory	3,888,540	3,991,182
Family Practice	1,650,259	1,679,683
SCHS: Ca/Hemo/HR	567,000	580,100
Subtotal	\$476,456,541	\$496,280,692
	<u>FY 1990</u>	<u>FY 1991</u>
Iowa State University		
General University	\$202,044,114	\$212,594,495
Experiment Station	20,696,999	23,131,613
Cooperative Extension	22,868,804	23,382,583
Subtotal	\$245,609,917	\$259,108,691
University of Northern Iowa	\$ 70,014,228	\$ 73,790,000
Iowa School for the Deaf	\$ 5,650,502	\$ 6,081,553
Iowa Braille & Sight Saving Sch.	\$ 3,249,103	\$ 3,336,804
TOTAL	<u>\$800,980,291</u>	<u>\$838,597,739</u>
Resources		
Appropriation	\$439,415,526	\$471,126,970
Other Income Categories	<u>361,564,765</u>	<u>367,470,769</u>
	<u>\$800,980,291</u>	<u>\$838,597,739</u>

(2) Approve final Board of Regents operating requests for fiscal year 1990 and fiscal year 1991 with the understanding that any fiscal year 1989 budget ceiling adjustments approved by the Board at the October meeting will be reflected in the base.

- (3) Review and act on proposal by Regent VanGilst for state appropriation of student aid setaside.

The Board Office recommended total institutional operating budget requests for fiscal year 1990 of \$801.0 million, an increase of 5.6 percent over fiscal year 1989. This recommendation includes an appropriation request of \$439.4 million, a 9.0 percent increase over the previous year. In fiscal year 1991 the appropriation request is \$471.1 million, an increase of \$31.7 million (7.2 percent) over the fiscal year 1990 recommendation.

The fiscal year 1990 recommendation does not include new salary increases. The only adjustment to current year salary expenses is to include full year costs of salary increases which will occur throughout fiscal year 1989.

The recommendations emphasize: 1) strengthening the quality of undergraduate education; 2) providing adequate funds to maintain the current educational effort; 3) continuing support for the Board's priorities of minority recruitment and library acquisition from last year's requests.

Regent Van Gilst requested the Board Office review university budgets with respect to the amount of student aid setaside with an eye toward requesting a direct appropriation for student aid for undergraduate resident students. Tuition for those students would be reduced accordingly.

Highlights of the operating budget recommendations for fiscal year 1990 follow:

Adjustments to Maintain Current Program Level. The following recommendations were made to maintain the current program level.

Salaries. An increase of \$14.3 million, a 2.4 percent increase, was recommended to cover the full cost of salary and benefit increases occurring during fiscal year 1989 in order to prevent the budget discussions from prejudicing the collective bargaining process for organized employees which will begin this fall. The Board Office recommendations do not include specific salary increases for the coming year.

Utilities. Total increases of \$6.5 million were requested by the institutions. The Board Office recommendations were for \$5.2 million, an increase of 17.1 percent.

Price Inflation. The Board Office recommended the full 5 percent price inflation requested by the institutions for supplies and services, equipment, and building renewal. This amounts to a \$7.2 million increase for those items of which \$4.8 million will be requested from State appropriations. In addition, the Board Office recommended the full

request of a 14 percent price inflation for library books. This amounts to a \$1.2 million increase over fiscal year 1989.

Opening New Buildings. A total of \$865,000 was recommended by the Board Office to cover new costs faced by the universities in fiscal year 1990 and fiscal year 1991. The institutions had requested \$1.7 million.

Improving Educational Quality. Recommendations in this category are aimed at enhancing current educational programs. The Board Office recommended a total of \$13.7 million for Improving Educational Quality programs in fiscal year 1990 and an additional \$13.1 million in fiscal year 1991. In addition to requests specific to each institution, the Improving Educational Quality recommendation covers the following areas at each of the three universities.

Undergraduate Education. The Board Office recommended a total of \$4 million distributed as follows:

University of Iowa:	\$1.8 million
Iowa State University:	1.1 million
University of Northern Iowa	1.1 million

The universities have not received increased resources to adequately cope with the increased enrollments which have occurred over the past decade. As a result, all three universities placed high emphasis in their requests on strengthening undergraduate education. The requests are aimed at two different areas; the need for increased faculty and the need for support and equipment for faculty. The recommendation was calculated to fully fund the 6,700 student increase in the past decade over a four-year period.

Minority Enrollment. A total of \$1.25 million was recommended by the Board Office distributed as follows:

University of Iowa	\$500,000
Iowa State University	500,000
University of Northern Iowa	250,000

The institutions had originally requested a total of \$3.85 million.

Library Book Acquisition. A total of \$1.3 million was recommended by the Board Office, distributed as follows:

University of Iowa	\$500,000
Iowa State University	500,000
University of Northern Iowa	300,000

In addition, the Board Office recommended that the Board encourage the various library administrators to pursue areas of interinstitutional cooperation and possibilities for networking.

Equipment. Undergraduate education has been affected negatively by the inability of the universities to purchase instructional equipment. This directly impacts the quality of the education offered to undergraduate students. As a result the Board Office recommended a total of \$1.85 million for equipment to be distributed as follows:

University of Iowa	\$750,000
Iowa State University	750,000
University of Northern Iowa	350,000

This amount is in addition to the recommended 5 percent increase for price inflation.

Special Schools. In addition to the same salary and price inflation adjustments provided to the universities, the following Improving Educational Quality proposals were recommended.

Iowa Braille and Sight Saving School. The Board Office recommended \$35,000 for an intensive 2-week summer program.

Iowa School for the Deaf. The Board Office recommended \$40,000 to match federal funds for the establishment of a child evaluation center.

Administrative Systems. The Board Office recommended \$1.2 million for fiscal year 1990 and an additional \$1.8 million in fiscal year 1991 for financial and administrative computer systems. The institutions had requested \$2.45 million in fiscal year 1990 and \$4.9 million in fiscal year 1991.

Items Not Recommended. Major institutional requests not recommended by the Board Office include:

Faculty Startup	\$3.0 million
Previously unfunded inflation costs	
Equipment	7.3 million
Building Renewal	11.0 million
Supplies and Services	1.4 million
UNI Equity Funding	.7 million
Library Automation	1.2 million

Fiscal Year 1989 Supplemental Appropriation Recommendations. The Board Office recommended \$1.1 million for energy audit costs which have been required by June 30, 1989, but for which no funds were appropriated. A \$25,000 recommendation was made to the Iowa School for the Deaf to cover

asbestos abatement. Residents of the girls dormitory have been reassigned pending completion of this project.

Mr. Richey stated the first priority was for salary annualization similar to other state employees. Priority #2 was for price inflation generally at 5 percent plus 14 percent for library books. Priority #3 is for \$4,390,000 for utilities at substantial increases in accordance with commitments of the Governor and the General Assembly for the two major boiler projects. He said the fourth priority provides funds necessary to pay for the opening of new buildings. The fifth priority is for \$4 million for undergraduate education. The sixth priority is for minority programs.

Superintendent Johnson introduced Cathy Grell and Joanne Shannon from the Iowa School for the Deaf Faculty Senate.

Ms. Grell stated the faculty at the Iowa School for the Deaf thanked the Board for the recent salary increases. They are now requesting larger percentages of increases for teachers who have been there longer. The faculty have high longevity. They proposed to add three working days to the school year and were asking to index the salary schedule. She said the second half of the request deals with inadequate supplemental pay schedules. She submitted a three-year supplemental pay schedule.

Superintendent Thurman introduced Mary Ann Lindeman of the Iowa Braille and Sight Saving School faculty.

Ms. Lindeman stated that the faculty expressed appreciation for the interest and the support of the Board. Through that support they have been able to offer students a quality program. Faculty are requesting a 5 to 7 percent pay increase for next year. She noted that the Vinton school district faculty were presenting a proposal for a 10 percent salary increase. They also requested an additional personal day per year with the ability to accumulate those to a maximum of four. Ms. Lindeman thanked the Board for the support of campus courses. Last summer ten members of staff attended courses offered in braille. Some of the braille staff attended more than one course. She said it is no longer necessary for faculty to travel outside the state for that specialized training. Faculty at Iowa Braille and Sight Saving School are proud of the service provided to students. The summer school program allows students a chance to meet their own peers. The faculty asked the Board to consider funding the summer program for the coming year. She said they looked forward to continuing the positive relationship in the coming years.

Superintendent Johnson said the administration appreciated the support given to the faculty.

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Superintendent Thurman said it was very important to recognize the traditional difficulty in finding people to teach blind students. A good salary base allows them to recruit easier.

President Pomerantz recognized President Rawlings.

President Rawlings said that in general the Board Office has been very responsive to university officials' requests. However, there were several areas of critical needs not sufficiently addressed.

Vice President Vernon said he would discuss the area of library automation. University officials have spent many dollars from 1986 to date in order to automate and get their library on line. A lot of that investment will be lost unless they can get funds to provide for the maintenance of the equipment. Also, if they can't get the personnel to complete the system they will have to go back to a manual system. He said it is hard to have a catalog when half of it is manual and half automated. The main library is on about 48 percent. He said it is more expensive to maintain a dual system. It is going to be very difficult for them to function efficiently. The Board Office recommended funds to cover the inflation of library materials but nothing for library automation. He said it is not a choice between the two. He asked that the Board give serious consideration to funding their needs to complete the cataloging.

Vice President Vernon stated that two separate library items were requested. For library automation \$600,000 which was not recommended by the Board Office. For library resources and services \$900,000 under improving educational quality and the Board Office recommended \$500,000.

Regent Fitzgibbon asked for a definition of what is for computerization and what is for equipment.

Associate Director Kading responded that the library automation was in a deterioration of base budget catch-up category. The computerization is for academic purposes, not specifically for the library.

Vice President Phillips stated there were two more items of funding that University of Iowa officials wanted to discuss. Those were computerization and information resources and opening new buildings. The Board Office recommended \$750,000 to allow the University of Iowa to enhance its computer capabilities for students and faculty. University officials originally requested \$2.45 million. She said that amount of funding would accomplish needed computer hard and software for the computer clusters. Computers are becoming an integral part of higher education. University officials were very grateful the Board Office recommended \$750,000 but she said it is not enough for them to keep up next year. In regard to the area of opening new buildings Vice President Phillips stated that university officials were requesting funding for the Human Biology Research Center. They asked for

opening new buildings dollars for that in order to try to get part of the building open this year. They have opened about half of the building. She noted that the building was built without state funds.

President Pomerantz asked if of all of the budget requests that were not recognized by the Board Office the highest priorities on University of Iowa officials' list were 1) library systems, 2) computerization and 3) opening new buildings.

President Rawlings noted that two of those were recommended for some funding.

Regent Fitzgibbon said it appeared the Regents would not be in a position to approve the budgets at this meeting. There were some questions that needed answered.

Mr. Richey expressed serious concern if they should not observe the November 1 deadline.

President Pomerantz suggested they could take all this under advisement and set up a telephonic meeting if they needed more time to evaluate the requests and recommendations.

Regent Fitzgibbon suggested that Mr. Richey could provide Board members with additional information 7 to 10 days prior to a telephonic meeting. That would allow Board members time to review the information and have any further questions answered.

President Eaton stated that Iowa State University officials were very pleased the Board Office has seen fit to recommend funding for each of their improving educational quality requests. He said his principal concern was for the amount of reduction for competitive research capacity. On the capital side he said he had discussions with Mr. Richey earlier that morning and university officials are quite comfortable with the capital budgets. His concern was the priorities that were selected to achieve those. He noted that the day before university officials held an exit interview with 19 engineers. Every six years there is an evaluation of programs in the College of Engineering. Six years ago half of their programs were identified for intermediate visits at the end of three years. A number of things that were noted as deficiencies three years ago had been addressed. He said the institution has gone a long way toward making salaries competitive. He said the down side was that he hears repeatedly about inadequacy in some of the buildings. He said they must move immediately to improve some of these areas in engineering.

Vice President Glick expressed concern about resources for equipment, supplies and laboratories. They need to provide faculty and students with the key things that allow them to carry out their responsibilities. He said

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they will continue to need help in undergraduate education for such items as computerization and modernizing facilities.

Vice President Madden expressed concern for the recommended reduced funding levels for opening new buildings especially for the Durham Computational Center. That building will be occupied next spring. There will be the operating costs for that building such as heat and lights which he hoped some consideration would be given to. He said that building is being financed by the foundation. If they raise funds privately to build it he hoped the state would pay the operating costs.

Vice President Madden stated the College of Engineering faculty are aggressively raising private funds and using internal reallocation to help fund their needs. He said there is a need for increased custodial staff in that building. University officials have now cut back to the point where people are not satisfied with the cleaning in that building.

President Pomerantz said the Board Office is an arm of the Board of Regents. When they talk about the Board Office they are talking about the Regents.

President Curris said he felt there was a strong effort on the part of the Board Office staff to advocate the needs of the institutions. He said they especially appreciate the reaffirmation of the commitment to minorities. He said there were a couple of areas that University of Northern Iowa officials had concerns about. Library automation was one area. He said Vice President Vernon did a good job of expressing those needs. Another area was computer access and support.

Vice President Martin stated that the University of Northern Iowa was lagging behind in the area of computer equipment and access. He said they don't have unreasonable aspirations. They don't expect to be on the cutting edge but in the middle of the road. They were requesting reasonable computer facilities and access. Their most pressing needs are in the areas of software and network.

Regent Fitzgibbon asked for a definition of the line item "educational equipment".

Vice President Martin responded that it was for laboratory and instructional equipment.

Regent VanEkeren asked where the money from the computer fee is going.

Vice President Martin responded that when the Board adopted the computer fee that money was pledged based on Board comments and rolled into tuition. That eliminated a separate fee. There is no longer a line item for that. That is what the fee was for originally and doesn't mean it is not earmarked for computers.

Mr. Richey clarified that that was folded into the base.

President Curris stated that at the University of Northern Iowa they do not have a separate computer fee. However, they do budget some money for microcomputer access to students.

Regent Williams asked if now that this is folded in with the tuition they are using that for other computer costs.

President Curris said they budget a line item for microcomputer. This request deals with instructional use and not necessarily laboratories where students can go use computers.

Regent VanEkeren said she wasn't aware when the Board voted that the fee would be melted into the tuition.

President Curris said they still have a line item for student computer costs.

Vice President Martin stated they did establish four laboratories at different parts of the campus for student use and they do have a budget for maintaining and operating those. However, he said student demand is very strong.

President Curris said the other issue University of Northern Iowa officials wanted to discuss was equity funding. He said that what the Board did last year is what they want them to continue doing. Last year they requested \$1.2 million to address equity in funding. The General Assembly appropriated \$460,000. University officials came back this year and requested funds for the remainder of that request.

Director Geadelmann stated that she found the lack of support for equity funding to pose a credibility issue. She said her responsibility is to represent, lobby and advocate for the University of Northern Iowa which is what she did this past session. She said the purpose in lobbying is to help the members of the General Assembly come to a good understanding of what the issues are. That is a process that happens over time. She believes she made significant progress last year in the understanding of this equity issue. She asked if the lack of support for equity funding in this budget request meant it was no longer a priority. The equity issue is not a new one. She stated that last year the Board approved equity adjustment to the University of Northern Iowa base budget of \$1 million. They received a portion of that request. She asked if legislators should expect that university requests are inflated. She pointed out that the equity issue has been studied and twice everyone agreed it was appropriate. Equity funding is a priority to university officials second only to salaries. She said its absence will be sure to raise many questions in the legislature. She urged the Board to maintain equity funding.

President Pomerantz said the Board will ask the Board Office to take another look at that issue. He questioned university officials initiating an enrollment cap and then requesting equity funding because they want more tuition. He asked how they rationalize those seeming opposing actions.

President Curris said that in his first meeting with faculty this year he indicated to them that last year the General Assembly had responded to the request of the Board of Regents to provide some adjustment for the differences in state appropriation levels. He said if they can receive the rest of that requested amount the enrollment cap may no longer be needed. He didn't want the quality of undergraduate education to suffer. That was the basis of the enrollment cap. He hoped they could make a recommendation to the Board to lift that cap.

President Pomerantz said he would feel more friendly toward equity funding if there wasn't a conflict in those two actions.

President Pomerantz said the Board will take all three universities' positions into consideration concerning the issues raised at this meeting. The Board Office will list the items that were talked about today and the recommended actions for Board consideration for the electronic meeting.

Superintendent Johnson stated that at last month's meeting he presented a long list of new program initiatives. School officials met with Board Office staff and developed an agreed-upon base to start some things now.

Superintendent Johnson introduced the new business administrator at Iowa School for the Deaf, Billie Ahrens.

Regent Williams said she was concerned about the vast difference between the institutional request and the Board Office recommendation.

Superintendent Johnson responded that when he sent in his budget request two months ago he included all the items he felt needed attention at some point in time and was looking for some guidance and direction from the Board Office on prioritizing.

Superintendent Thurman thanked the Board Office for making the recommendation to fund the summer school at the level of \$35,000. He said they also had a request for \$40,000 for utilities to fund anticipated increases. He noted that they have taken three new students into preschool. The preschool consultant said they may have to open another preschool next year. That will seriously limit the amount of reallocation the school can perform. He asked that they consider partial funding of their maintenance request. He noted that they did considerable reallocation.

Director Hauser addressed the Iowa Braille and Sight Saving School's maintenance needs. In 1987-88 they budgeted \$43,000. He said that next year they will definitely be faced with some hard decisions. He urged the Board to consider their \$30,000 request.

Mr. Richey said they can request a transfer from other appropriations if it becomes an emergency situation.

President Pomerantz asked the Board Office to reevaluate the budget requests and come out with revised recommendations for the Board to vote on during the conference call.

Regent Fitzgibbon asked that the Regents have something written in their hands two to three days ahead of the conference call.

Regent VanGilst said he was tremendously concerned that tuition would subsidize students who can't pay tuition. He said it seemed that at some time there should be a state obligation to pay student aid. The student aid amounts to \$20 million. He said they should ask the General Assembly to pay that. Even if they asked for \$10 million he said the independent colleges are asking for that amount. He knows they have done their homework because of all the candidates they have visited with. He said the Regent universities are not informing the legislators of their needs. He said if that is appropriated to the Board of Regents it would have to be with the understanding that it would reduce the tuition by that amount. He said it is not right they are asking the students to pay for student aid.

President Pomerantz noted that they are going to be requesting from the legislature \$45 million to \$50 million additional appropriations this session over the last session. Last year the K-12 system got \$95 million.

Regent VanGilst asked President Pomerantz to appoint a committee to study the issue of funding student aid. President Pomerantz said that was a good suggestion the Regents ought to consider. Regent Fitzgibbon said he supported that. President Pomerantz said he would appoint a committee to consider that. Regent Greig asked that the committee get together before the telephonic meeting.

President Pomerantz asked that Regent VanGilst chair that committee. They would be asked to meet in the interim before the telephone call.

ACTION: President Pomerantz stated the Board deferred action on this item.

(b) Special Purpose Appropriations and Lottery Funds. The Board Office recommended the Board approve requests to be submitted to the Department of Management for Special Purpose, Standing and Lottery Appropriations in fiscal year 1990 and fiscal year 1991.

Special purpose and standing appropriations are funded from various sources. Current programs receive appropriations from lottery funds, groundwater protection act funds, Exxon oil overcharge funds and the state general fund. It was necessary for the Board to give final approval to these recommendations at the October Board meeting.

The Board Office recommended continued funding in fiscal year 1990 and fiscal year 1991 at approximately the current level for the following programs:

SUI:

Center for Health Effects of Environmental Contamination (groundwater protection funds)
Well-Testing (groundwater protection funds)

ISU:

Livestock Disease Research (standing appropriation)
Small Business Development Center (lottery funds in fiscal year 1989)
Fire Service Institute (state appropriation)

UNI:

Small Business Assistance Center for Safe and Economical Management of Solid Waste and Hazardous Substances (groundwater protection funds)

Items not recommended by Board Office:

Agriculture Health and Safety Services Pilot Project (SUI). Program was a two-year pilot project concluding in fiscal year 1989. An evaluation report is due to the legislature in December.

Water Resources Research Institute (ISU). Received oil overcharge and lottery funds in fiscal year 1989. The Institute should continue to pursue these sources.

Institute for Decision Making (UNI). While this is a worthy program it should be considered at the time the Board makes recommendations for projects to be funded through the Education and Agriculture Research and Development Account (EARDA). The Institute received \$250,000 off-the-top of EARDA for fiscal year 1989.

In addition to making recommendations on special purpose funds appropriated specifically to institutional programs, the Board Office recommended support for the following lottery programs administered by the Department of Economic Development which impact the institutions:

Education & Agriculture Research and Development Account (EARDA) for
\$10 million
Business Incubators
University-Based Research Consortiums

Specific detail of the dissemination of lottery requests to each of the universities will be decided by the Board in December.

Associate Director Kading stated that the special purpose appropriations come from a variety of funding sources. The Board Office recommended generally that most programs continue at the same level. In addition to those recommendations the Board Office was asking for \$10 million in Education and Agriculture Research and Development Account (EARDA) to fund the business incubators and the university-based research consortiums.

Vice President Madden commented on the recommendation for the Small Business Development Center. He said that if the Board Office recommendation is approved this will be the third year in a row that they have had to take a significant cut in that funding request. They would have to close their outreach centers in Audubon, Burlington and Ottumwa.

President Pomerantz said the other funding alternatives are still available. They are not prohibited from asking for funds elsewhere.

MOTION: Regent Tyler moved to approve requests to be submitted to the Department of Management for Special Purpose, Standing and Lottery Appropriations in fiscal year 1990 and fiscal year 1991. Regent Williams seconded the motion, and it carried unanimously.

Regent Tyler said that last year or the year before the legislature mandated they create a center at Iowa State University and one at the University of Northern Iowa and one at the University of Iowa. He asked for the status of those centers.

Mr. Richey said they can receive a status report when discussing lottery funds at the November meeting.

Associate Director Kading asked if Regent Tyler was referring to some of the groundwater programs.

President Curris said he thought Regent Tyler was referring to the centers funded through the Groundwater Protection Act.

Associate Director Kading said they work with Department of Natural Resources on all those programs. They have an advisory committee.

(c) Capital Budgets. The Board Office recommended the Board (1) approve the capital recommendations prepared by the Board Office totaling \$20,575,000 in 1990 and \$78,500,000 in 1991 and (2) approve the priority listing of capital requests for fiscal years 1990 and 1991.

The Board Office recommended a capital program of \$20,575,000 in fiscal year 1990 and \$78,500,000 in fiscal year 1991. In developing the recommendation, the Board Office reviewed the institutions' requests for \$299 million for capital improvements in fiscal years 1990 and 1991.

The Board Office recommendation by institution was as follows:

<u>Board Office Recommendation</u> (000s omitted)			
<u>Institution</u>	<u>1990</u>	<u>1991</u>	<u>Total</u>
University of Iowa	\$ 7,025	\$41,800	\$48,825
Iowa State University	10,050	29,550	39,600 *
University of Northern Iowa	3,200	7,050	10,250
Iowa School for the Deaf	300	100	400
Iowa Braille and Sight Saving School	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	\$20,575	\$78,500	\$99,075

* An additional \$6 million is included in the university's base operating budget for Livestock Units for Swine and Cattle Research (\$3 million each year).

Eighty-five percent of the Board Office recommendation consists of projects that will construct or remodel undergraduate classroom and research laboratory space.

<u>Board Office Recommendation</u> (000s omitted)		
<u>Type of Project</u>	<u>Total</u>	<u>% of Total</u>
Undergraduate Education	\$51,425	52%
Research	32,900	33%
Fire and Environmental Safety	2,500	3%
Deferred Maintenance	5,000	5%
Utilities	4,850	5%
Continuing Education	2,000	2%
Special Schools (ISD)	<u>400</u>	<u>--</u>
TOTAL	\$99,075	100%

Mr. Richey stated the budget request represented funding for many attractive and needed projects. The Board Office placed emphasis on undergraduate education, fire and environmental safety, and research facilities.

President Rawlings stated that in general University of Iowa officials found the list of capital priorities reasonable. However, they were disappointed that in the priority list the university's utilities issues were placed so low in the priorities. He asked for some reconsideration of those four projects.

Vice President Vernon stated that the University of Iowa's top two capital priorities submitted to the Board Office were for an undergraduate all-purpose classroom for business students and the second was for the engineering building. They have had the engineering building on the priority list since 1982. Its 71 faculty bring in \$7 million in external funding and educate 1,200 undergraduates annually. It does all the teaching with tenure-track faculty. The program has suffered in the lack of laboratory space. It was their top priority for a year or two. It has hurt the prospects of the school, and the dean, faculty, and student body are terribly upset that it was completely excluded from the priority list. He asked that they reconsider the recommendation and include planning money in 1990 for the engineering building. The students at the engineering school asked that they be permitted to submit some documentation to the Board. He asked that the Board take a look at their plea.

President Pomerantz said they could deal with the recommendations as presented at this meeting. In November they could hear the advocates for the other projects and could amend their recommendation. He said the Board should hear all the arguments.

Regent Fitzgibbon said university officials need to decide in-house what they think the priorities should be. If the Board acts on this at this meeting he said they would still welcome presentations in November.

President Eaton presented a counter proposal to the Board Office capital priorities request. Their preferred set of priorities do not exceed the recommended totals for 1990 and 1991 as recommended by the Board Office, and are reflected on the following page.

The major difference between the Board Office recommendation and the proposal by Iowa State University is the substitution of the Engineering Building at \$18,750,000 for the Livestock Addition project at \$18,500,000.

GENERAL
October 19-20, 1988

<u>Priority</u>	<u>Project</u>	<u>1990</u>	<u>1991</u>
* 1.	Fire & Environmental Safety ¹	\$ 500	\$ 500
* 2.	Deferred Maintenance ¹	1,000	1,000
3.	Agronomy Equipment ²	1,000	-----
* 4.	Livestock Units - Swine & Cattle ²	2,000	3,550
* 5.	Gilman Hall - Phase IIIA ³	6,500	-----
6.	Lab Animal Facilities	1,000	1,000
* 7.	Adv. Teaching & Research - Engineering	750 (P)	18,000
8.	Sweeney Hall - Chemical Engineering	300 (P)	4,000
9.	Utility - Electric Distribution	-----	2,000
* 10.	Meat Laboratory Addition	-----	2,000
* 11.	Intensive Livestock - Planning	-----	500 (P)
	Subtotal	<u>\$13,050</u>	<u>\$32,550</u>
	Less Base Operating budget for Ag-related Capital	<u>-3,000</u>	<u>-3,000</u>
	Total Capital Request	<u>\$10,050</u>	<u>\$29,550</u>
	Two Year Total	<u>\$39,600</u>	
	Original Board Office Recommendation	<u>\$39,600</u>	

- 1 Original Board Office recommendation.
 2 Base operating budget funding for livestock and agronomy equipment of \$3,000.
 3 Balance of \$10.0 million in subsequent years.

* Consistent with Board Office recommendation
 (P) Planning

Mr. Richey asked if university officials didn't need the \$1.5 million for the Foods Crops Research Center since it was not listed on their priority sheet.

Vice President Madden said they are not deleting any of those projects. They are delaying the second \$5 million piece of Gilman Hall and are phasing the work of that building. In trying to stay with the Board Office recommendation they were trying to represent some of the engineering needs. Right now they only have the capacity for 7 megawatts of electricity. They were proposing in the second year to come to grips with that. It was a question of improved reliability. The City of Ames is not capable of handling the city and the university utility level. He said the \$2 million is to build a tie line.

President Pomerantz asked if university officials have talked with the City of Ames officials about putting in the connection for them. He said another aspect is the connection itself. The supplier of the power might consider an up front expenditure to be amortized for the connection.

Vice President Madden said the city would probably be willing to do that.

President Pomerantz urged them to evaluate the alternatives.

Regent Greig asked if the meat laboratory was being delayed. Vice President Madden said it was being delayed to stay within these dollar amounts.

Vice President Glick stated that the Gilman Hall and Lab Animal Facilities were not only programmatic priorities for the campus but also represented serious health and safety issues. They were not only in danger of programmatic losses but federal funding, as well.

Regent Williams suggested the university and Board Office should use the same terms for the projects.

President Pomerantz asked that even though university officials were requesting the same dollars they should consider what would create more leverage to attract federal or other funding and maximize state appropriations. He asked that they make sure in that regard that the priorities are really where they want them.

President Eaton said the larger proportion of federal funding is received in the engineering and physical sciences areas. He noted that the university had not changed its priorities.

President Curris distributed two sheets of paper. One showed what the Board approved last year. The other was the Board Office recommendation for fiscal years 1990 and 1991. He was concerned that the fourth floor of the library was priority number 7 last year and now would be number 10 for the next two years. Their first request is to restore it to where it was last year. The second issue, which is Wright Hall remodeling, was priority number 11 last year and number 13 for the next two years. He said those are two critical projects for the university's undergraduate education.

President Pomerantz said he didn't think the sense of the Board was that priorities are cast in stone and can never be changed. He said they reserve the right each year to reevaluate those.

President Pomerantz said the Board's priority list would be amended with recognition to the comments made by all three universities. He said the telephone call will have two sections to it. The Board Office would revise the capital priority listing and send it out with a Board Office recommendation. During the conference call the Board will discuss the capital and the operating budgets.

Regent Fitzgibbon asked that the Board receive the information in ample time to get questions answered.

Regent VanGilst asked if the Board Office and the institutions will be discussing these with each other. Mr. Richey said the interinstitutional priority list is not something they can agree on.

ACTION: President Pomerantz stated the Board deferred action on this item.

(d) Status Report on Capital Projects. The Board Office recommended the Board receive a report on the status of capital projects.

The Regent institutions reported that 108 projects with a combined budget of over \$405 million are presently near completion, underway or being planned.

Summary of Status of Current Projects

	<u>Number of Projects</u>	<u>\$ Amount in Millions</u>
University of Iowa	48	\$179
Iowa State University	48	189
University of Northern Iowa	<u>9</u>	<u>37</u>
Subtotal	105	\$405
Iowa School for the Deaf	3	\$ 0
Iowa Braille and Sight Saving School	<u>0</u>	<u>0</u>
TOTAL	\$108	\$405*

* Many projects are near completion or partially completed.

ACTION: President Pomerantz stated the Board received the report on the status of capital projects by general consent.

(e) Tuition Replacement and Capital Financing. The Board Office recommended the Board (1) approve a fiscal year 1990 and 1991 tuition replacement appropriation request of \$19,934,694 and \$22,298,122 respectively and (2) receive a report on the Board's current financial condition relating to bond indebtedness, bond capacity and future bonding opportunities.

Tuition replacement needs for the current fiscal year are projected to be \$16,880,536. The current amount available is \$17,018,537.

1989 appropriation	\$17,003,669
1988 carryover	<u>865,278</u>
	17,868,947
1988 appropriation transfer	<u>- 391,810</u>
	17,477,137
1989 appropriation transfer request	<u>- 458,600</u>
Total tuition replacement funds	<u>\$17,018,537</u>

The appropriation transfers were made for the purpose of paying costs associated with state audits for which the Board received no appropriation in fiscal years 1988 or 1989. The difference between the amount of tuition replacement funds needed and funds available is \$138,001.

Tuition replacement needs for fiscal year 1990 are projected to be \$19,934,694. This amount is approximately \$2.9 million more than the fiscal year 1989 appropriation including carryover funds less appropriation transfers.

Tuition replacement needs for fiscal year 1991 are projected to be \$22,298,122.

Projected outstanding principal on Regent bonds as of January 1, 1989, consists of the following amounts:

Academic Building Revenue Bonds	\$190,875,000*
Dormitory Revenue Bonds	52,680,000
Hospital Revenue Bonds	44,090,000
Self-Liquidating Bonds	<u>184,375,000</u>
TOTAL Bond Indebtedness	\$472,020,000

* The Board has authorization to issue an additional \$42,600,000 in academic building revenue bonds to be issued after January 1, 1989.

Current debt service levels are well within the bounds prescribed by bond rating agency standards and market acceptance. To maintain its current financial standing, the Board should not expect to issue more than \$75 million each year in Regent bonds.

Director Eisenhower stated that the Board Office requested an appropriation transfer from the 1988 carryover funds to pay audit costs and requested a similar appropriations transfer from the 1989 appropriation to cover 1989 audit costs. She anticipates there will still be enough money remaining in order to meet tuition replacement needs.

Mr. Richey stated that, in the normal course of events, staff would have brought the appropriations transfer request to the Board before making the request but the bill came in from the State Auditor and the request for the transfer had to be made very rapidly. This action takes care of fiscal year

1988 obligations and would be included in the base budgets for fiscal year 1989 of all the Regent institutions funds to pay for state audits by the State Auditor. It eliminates the necessity for the institutions to reallocate to pay those audit costs.

MOTION: Regent VanGilst moved to (1) approve a fiscal year 1990 and 1991 tuition replacement appropriation request of \$19,934,694 and \$22,298,122 respectively and (2) receive a report on the Board's current financial condition relating to bond indebtedness, bond capacity and future bonding opportunities. Regent Harris seconded the motion, and it carried unanimously.

REPORT ON STUDENT HEALTH SERVICES. The Board Office recommended the Board (1) receive a report on the level of student health services at Regent universities including the costs and how they are financed, (2) approve the removal of student health costs from the general education funds of the universities except for provision of space for the delivery of student health services effective July 1, 1989, in a manner that is neutral in effect upon tuitions and mandatory fees paid by students, (3) approve adjusted tuition and fee rates to establish student health services as fully self-supporting enterprises at each Regent university at the anticipated expenditure rates for fiscal year 1989 to be financed by service charges and mandatory student health fees, and (4) review and adjust base fees thus established for health services to reflect changes in services and costs for fiscal year 1990 at the time housing and dining budget and charges are considered in the spring of 1989.

The Board has expressed a desire to address the issue of financing student health services before final tuition decisions are made in November. As a result, the issue was presented to the Board prior to consideration by the Priority Issue Committee on Student Health.

Student health services are provided at all three Regent universities at a projected fiscal year 1989 cost of \$1,991,309 at the University of Iowa, \$2,273,838 at Iowa State University, and \$541,155 at the University of Northern Iowa.

General education funds, student fees, and fees for services are the primary sources of financing student health services.

	<u>SUI</u>	<u>ISU</u>	<u>UNI</u>
Expenses	\$1,991,309	\$2,273,838	\$541,155
Income			
General Ed. Funds	\$1,323,709*	\$842,261*	\$305,561
Student Fees (earmarked)	426,100	624,577	57,283
Service Charges	241,500	807,000	178,311

*Includes projected deficits of \$415,209 for the University of Iowa.
\$127,855 for Iowa State University.

University reports indicate the cost of providing health care to students is increasing while the universities' abilities to increase general education fund support for student health services have diminished.

General education funds are acutely needed to support essential academic programs. Current student health service financing structures promote increasing dependence on general education funds at the expense of academic programs.

Self-supporting enterprise financed by service charges and mandatory student health fees was recommended to provide access to basic health services for all students on a sound fiscal basis and have a revenue neutral effect on university budgets and student costs.

Most other universities throughout the region do not substantially support student health services with general education funds.

Student health services have long been provided by the universities and not by private providers.

Students at all three universities seem generally satisfied with the level of health services provided by the health centers and there appears to be some student support for mandatory health fees.

All three universities provide routine medical care at student health clinics. Routine medical care includes sprains, strains, lacerations, fractures and first aid.

If the current level of student health services are made self-supporting at each university through mandatory student health fees and service charges, base tuition and fees exclusive of health services for undergraduate residents could be reduced as follows:

	<u>Curr. Tuit.</u> <u>Incl. Mand.</u> <u>St. Health</u> <u>Fee 1988-89</u>	<u>Volun.</u> <u>St. Health</u> <u>Fee 1988-89</u>	<u>Curr. Tuit.</u> <u>Equiv. incl.</u> <u>St. Health</u> <u>Fee 1988-89</u>	<u>Proposed</u> <u>Mand. St.</u> <u>Health</u> <u>Fee</u>	<u>Net</u> <u>Tuition</u> <u>1988-89</u>
Univ. of Iowa	\$1,706	\$0	\$1,706	\$64	\$1,642
Iowa State Univ.	1,706	48	1,754	67	1,687
Univ. of N. Iowa	1,690	0	1,690	34	1,656

It is anticipated that student health budgets and fees will be reviewed in the spring of 1989 to consider options for addressing increased costs and levels of service for fiscal year 1990. This process would be much the same as the Board's schedule for considering housing and dining budgets and rates each spring.

President Curris introduced University of Northern Iowa students Debbie Bloom and Dave Sanders.

Mr. Sanders said he works full time so he can stay in school. He said he didn't like it that students were again being asked to be a beast of burden. He considered student health fees to still be a part of tuition. He questioned why University of Northern Iowa students were being asked to pay this additional fee when it was not requested by university officials. He questioned the need for the additional fee when there is no plan of what to do with the freed up funds. He said the proposal tricks students and citizens into believing that tuition at the University of Iowa is the lowest of the three state universities.

Ms. Bloom stated that a tuition increase as well as a fees increase is a dangerous precedent. She felt the fees increase should be discussed when tuition is discussed.

President Rawlings introduced University of Iowa student Chris Anderson.

Mr. Anderson stated the Board had three options on what to do with student health fees: 1) adopt the proposal of fees on top of tuition, 2) adopt the recommendation of the Board Office, or 3) do nothing and keep things the way they are. He said the University of Iowa student health services promotes providing inexpensive basic health care on campus. He said parents and citizens expect that students will have a place to go for health services. Student health services have not been a drain on the budget. Student health expenses have been exceeded by the growth of the general fund. As a percentage they are roughly equal to what they were. As a percentage of tuition revenue student health expenses are lower than they have been in the last few years. He said students do not feel the universities need to have a new fee because the health support for students is not sapping the general fund.

Mr. Anderson stated that the student health services at the University of Iowa have been severely underbudgeted in the last several years. In 1984-1985 he said there was a deliberate shortfall of \$96,000. For the upcoming year student health services are deliberately underbudgeted by the university by \$415,000. He said whichever alternative the Board members choose, students at the University of Iowa are almost universally opposed to extra fees on top of tuition. In general, students feel the Board Office proposal is an appropriate proposal and is better than the institutional recommendation. The final proposal is alright with students if they can have some confidence in the administration to fund student health services at the level it deserves.

President Eaton introduced Iowa State University students Russ Gunther and Doug Martin.

Mr. Gunther stated that in addition to serving on the student health advisory committee he is currently serving as the regional representative of the student health association. He noted that in making their decision the Regents felt it necessary to gain a better understanding of what the services are and how students perceive the services. He said that at the University of Iowa they clearly indicated that the private industry cannot offer what they have on campus. There is the benefit of relatively low cost health care. The services are on campus so students have the convenience of stopping in between classes and over lunch hours. Services go beyond first aid and include treatment of illness, vaccinations, allergy shots, laboratory work, obstetrics and gynecology, and pharmacy. One benefit currently available is health education and preventive health information. The health professionals that serve are in a manner of speaking "specialists" because every day they work with only students. They have a better working understanding of what the students need. Their current medical staff makes sure they find out about the current needs of the younger generation. He said student health services are very necessary for good health.

Mr. Gunther said they are now charged with the task of financing these services. Iowa State University officials presented a phased program which would maintain the voluntary fee for students. At Iowa State University they have some services that are self supporting. He said he realized some of the others do not. He said that might be one alternative for other Regent institutions to look into.

Mr. Martin stated this issue is vital to students. The Regents have a tough decision to make. He said there is strong support for health services on his campus. They need a commitment to provide health care on campus. When looking at adjusting the tuition level it looks like Iowa State University students are paying the highest tuition of the three state universities. Another concern is the perception of \$24 versus \$64. A concern expressed by all universities is that there are students out there who will have a very difficult time paying for health services coupled with a tuition increase.

Regent Fitzgibbon stated the students' concerns had been well presented. He said the Regents have a committee that will address this matter. He asked that this be referred to the committee and the committee will come back with a recommendation.

Regent Greig said he was speaking for Regent Harris when he says that they can't make a decision on this matter today. It should go to the priority committee first.

President Pomerantz said they would refer it to the priority committee for a report by next meeting.

Regent Williams said her biggest concern about the Board Office proposal was the perceived tuition at each institution. For that reason alone she felt it should be referred to the committee.

ACTION: President Pomerantz stated the Board deferred action on student health services fees.

INSTITUTIONAL ROADS PROGRAM 1989-1994. The Board Office recommended the Board (1) approve the recommended 1989 program totaling \$1,054,750 for construction and engineering, and \$270,000 for maintenance costs, (2) approve the recommended Five-Year Institutional Roads Program for 1990-1994. This program totals \$5,373,000, and (3) receive the list of identified, unfunded institutional road needs at the Regent institutions totaling \$13,419,500, and direct that these reports be forwarded to the Iowa Department of Transportation (IDOT).

The Institutional Roads Program for 1989 construction and maintenance is estimated at \$1,324,750.

Summary of Institutional Roads Program for 1989

Construction and Improvements

University of Iowa	\$481,000
Iowa State University	423,950
University of Northern Iowa	127,000
Iowa School for the Deaf	22,800
Iowa Braille and Sight Saving School	<u>0</u>
Subtotal	\$1,054,750
<u>Maintenance All Institutions</u>	<u>\$ 270,000</u>
TOTAL	\$1,324,750

The annual amount programmed for maintenance and repairs is \$270,000.

The Regents' Five-Year Institutional Road Program (1990-1994) anticipates spending \$5,373,000 for road construction and improvements, including maintenance.

Summary of Institutional Roads Program Five-Year Plan

Construction and Improvements

University of Iowa	\$1,530,000
Iowa State University	1,633,000
University of Northern Iowa	860,000
Iowa School for the Deaf	0
Iowa Braille and Sight Saving School	0
Subtotal	\$4,023,000

Maintenance All Institutions \$1,350,000

TOTAL \$5,373,000

Unmet construction needs total \$13,419,500.

Summary of Unmet Construction Needs
(000s Omitted)

University of Iowa	\$ 1,438
Iowa State University	9,657
University of Northern Iowa	2,025
Iowa School for the Deaf	300
Iowa Braille and Sight Saving School	0
TOTAL	\$13,420

MOTION:

Regent Harris moved to (1) approve the recommended 1989 program totaling \$1,054,750 for construction and engineering, and \$270,000 for maintenance costs, (2) approve the recommended Five-Year Institutional Roads Program for 1990-1994. This program totals \$5,373,000, and (3) receive the list of identified, unfunded institutional road needs at the Regent institutions totaling \$13,419,500, and direct that these reports be forwarded to the Iowa Department of Transportation

(IDOT). Regent Fitzgibbon seconded the motion, and it carried unanimously.

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

Regent Fitzgibbon, Chair of the Banking Committee, stated the Banking Committee concurred with the Board action for the resolution for the sale of bonds. The committee recommended the Board authorize the Executive Secretary to proceed with the scheduled conversion either in December or January and that the Board follow the original schedule of issuing the capital appreciation bonds.

MOTION: Regent Fitzgibbon moved to authorize the Executive Secretary to proceed with the scheduled conversion either in December or January and that the Board follow the original schedule of issuing the capital appreciation bonds. Regent Greig seconded the motion, and it carried unanimously.

Regent Fitzgibbon stated the Banking Committee members discussed the master lease and escrow agreements with BancNewEngland and approved an increase from \$3 million to \$6 million in the ceiling for the outstanding principle of the University of Iowa.

MOTION: Regent Fitzgibbon moved to approve an increase from \$3 million to \$6 million in the ceiling for the outstanding principle of the University of Iowa. Regent Williams seconded the motion, and upon the roll being called, the following voted:
AYE: Fitzgibbon, Greig, Harris, Pomerantz, Tyler, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Duchon.

Regent Fitzgibbon stated the committee members heard a report from Iowa School for the Deaf officials concerning a review of the improvements in their financial management. He said Board action was needed to approve a Resolution for Facsimile Signature of the school's new director of business, Billie Ahern.

MOTION: Regent Fitzgibbon moved to approve a Resolution for Facsimile Signature of the school's new director of business, Billie

Ahern. Regent Greig seconded the motion, and it carried unanimously.

PROPOSALS FOR LEGISLATIVE INITIATIVES, 1989 SESSION. The Board Office recommended the Board receive a status report on the preparation of the Board's legislative package and call for suggestions for legislative proposals.

The Board Office will provide a more detailed discussion of possible items for the Board of Regents 1989 legislative package at the November Board meeting. Requests have recently been sent to each of the institutions for any proposals which they may want to submit to the Board for inclusion in the legislative program. The Board Office staff will be meeting with each institution soon after the October Board meeting to discuss items and review proposals from last year's legislative program.

ACTION: President Pomerantz stated the Board received a status report on the preparation of the Board's legislative package by general consent.

ANNUAL REPORT OF REGENTS MERIT SYSTEM. The Board Office recommended the Board (1) receive the Merit System Annual Report, and (2) approve undertaking the projects planned for Fiscal Year 1989, as follows:

- a. Implement use of Iowa Job Service tests for applicants for certain Merit System classes as a six-month pilot project to determine the feasibility of expanding the use of Job Service for applicants for vacancies in other Merit System classes.
- b. Conduct the second year of the four-year cyclical review of the classification of all Merit System positions.
- c. Review and develop statements of knowledge, skills, and abilities required for classes reviewed in the first year of the systematic review of position classification.
- d. Participate in collective bargaining negotiations with the American Federation of State, County and Municipal Employees (AFSCME) for the 1989-91 contract covering the State's employees including the Regents blue collar, security, technical and clerical employees.
- e. Review procedures for monitoring the movement of positions from the Merit System to the Professional & Scientific category.

REGENTS MERIT SYSTEM ANNUAL REPORT, 1987-88.

The Regents Merit System covers non-professional supervisory, blue collar, security, technical, and clerical employees of the Board.

At the end of the fiscal year there were 8,557 permanent employees in the Merit System which represents an increase of 70 (0.8 percent) over the previous year.

The average salary of a Merit System employee increased from \$15,999 in fiscal year 1987 to \$16,900 (5.63 percent) in Fiscal Year 1988.

There were an additional 1,242 employees who were classified in the Merit System and who served in temporary positions.

The total payroll for all Regent Merit System employees in Fiscal Year 1988 was approximately \$140,000,000.

As a part of the usual ongoing maintenance of the Regent Merit System there were 14,046 evaluations of training and experience; 8,250 written tests administered, and 17,125 applications reviewed for work test positions.

In addition, there were 406 reclassification requests considered and the classifications of 277 new positions reviewed.

PROJECTS APPROVED BY THE BOARD AND UNDERTAKEN IN 1987-88.

A new rule was adopted by the Board which helps insure the representation of minorities certified as applicants to fill vacancies in classes where they are under-utilized.

Recommendations for performance evaluation have been developed in conjunction with the American Federation of State, County, and Municipal Employees pursuant to the collective bargaining agreement.

New applicant testing was the subject of research for five classes in the Merit System resulting in a determination that the General Aptitude Test Battery (GATB) can be used for these five classes.

The first year of a four-year cyclical review of positions in the Merit System was completed with 1,145 jobs being reviewed resulting in 42 upgrades, 2 downgrades, and 8 lateral moves.

PROPOSED ACTIVITIES FOR FISCAL YEAR 1989.

Implement the General Aptitude Test Battery (GATB) as a six-month pilot project for the five classes where last year's research indicated it could be used.

Determine the feasibility of expanding the use of Job Service Offices to test applicants for other merit classes. (The successful implementation of the GATB as the pre-employment test, replacing current in-house-developed tests, could save hundreds of thousands of dollars in needed development of new tests and test validation.)

Undertake the second year of the four-year cyclical review of positions in the Merit System. (Approximately 2,500 positions will be reviewed this year.)

Develop refined knowledge, skill, and ability statements for descriptions of classes reviewed in last year's cyclical review.

Participate in the State's collective bargaining activities for all Merit System employees in a bargaining unit.

Review the procedures and processes whereby Merit System positions are moved to the institutional Professional & Scientific plans. (In Fiscal Year 1988 there were 33 such moves from the 8,557 Merit System positions.)

MOTION:

Regent Williams moved to (1) receive the Merit System Annual Report, and (2) approve undertaking the projects planned for Fiscal Year 1989, as presented. Regent Harris seconded the motion, and it carried unanimously.

CHANGE IN CLASSIFICATION OF PROFESSIONAL AND SCIENTIFIC POSITION IN BOARD OFFICE. The Board Office recommended the Board approve the establishment of the position Director of Planning and Policy Analysis in the professional-scientific classification system of the Board Office in pay grade 7 (\$42,018-\$68,116).

About a year ago the Board authorized an Associate Director's position in the Academic Affairs and Research unit, the primary responsibility of which was to be planning. The Board Office undertook a recruiting effort for this position, which was in pay grade 5 (\$33,788-\$54,060) of the Board Office professional-scientific classification plan. A candidate with the qualifications necessary to work in the position was not found.

Peat Marwick has recommended that a higher level position be developed for the Board Office to undertake the planning and policy analysis efforts. They have recommended the position of Director of Planning and Policy Analysis. The Board Office is in the process of refining the position description for this new director and has identified, through use of the point-count instrument, that the position will be in pay grade 7 (\$42,018-\$68,116) the

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same pay grade as the directors of Business and Finance and of Personnel and Employment Relations.

A search for the new director will begin when the position is authorized.

Peat Marwick has recommended that the position of Associate Director of Academic Affairs and Research be retained in the Academic Affairs and Research unit. It found that a higher level position than the Research Analyst was required in the Academic Affairs unit.

The Research Analyst position is badly needed to assist the Business and Finance unit as well as the remainder of the office.

Mr. Richey stated that this associate director position is reflected in the Board Office budget. He pointed out that the recommendation is based on a letter from Peat Marwick Main indicating they recommend that a position of Director of Planning and Policy Analysis is needed in the Board Office. He said the letter was not solicited by him. He said this planning position should be at the director level because he has had no success at finding a qualified person at the associate director level.

Regent Greig said he preferred to deal with this request based on the Board Office need rather than to implement the Peat Marwick Main report in a piecemeal fashion. He said that doesn't negate the need for the additional staff person and they do have the funds for this year.

Mr. Richey said the second position is in the budget request. The Board Office has funds for the associate director in planning but has been unable to recruit successfully for that position.

MOTION:

Regent Harris moved to approve the establishment of the position Director of Planning and Policy Analysis in the professional-scientific classification system of the Board Office in pay grade 7 (\$42,018-\$68,116). Regent Williams seconded the motion.

Regent Greig said he preferred to wait on approving this position because he did not want to implement the organizational audit recommendations in a piecemeal fashion.

VOTE ON THE MOTION:

The motion carried with Regent Greig voting "no".

BOARD OFFICE BUDGET REQUEST, FISCAL YEARS 1990 AND 1991. The Board Office recommended the Board approve a request of \$1,139,672 for fiscal year 1990 and \$1,163,022 for fiscal year 1991 for the operations of the Board Office.

The proposed budget increase of \$102,696 includes a new position of Associate Director of Academic Affairs, continuation of the Director of Planning position established for the current fiscal year, and the addition of secretarial staff and other supporting expense for the new professional positions.

The proposed budget includes annualization of merit pay increases and 5 percent growth for anticipated price inflation.

Institutional reimbursements would be held at the approximate level of the current year.

The Associate Director position in Academic Affairs would be a restoration of a position eliminated because of budget stringencies several years ago.

The major governance initiatives undertaken by the Board of Regents during the past 27 months make it essential that the Board Office staff be augmented if the Board is to receive the assistance in carrying out the governance responsibilities that it requires.

Mr. Richey stated that the proposed budget assumes the current base plus 5 percent price inflation. It includes the position of Associate Director of Academic Affairs. He noted that the Board commissioned an audit to review duplication of academic programs. When the audit comes out there will be a tremendous amount of work to do. With the addition of the new director position a secretary is needed. Another aspect of the budget is that staff desperately need another copying machine. The Board Office may come back with a supplemental request to address that.

Regent Fitzgibbon stated that the Board Office can add people and equipment but where are they going to put them? How do they plan to operate in the facilities they have?

Mr. Richey said there is a conference room they will have to use for the new director position.

Regent Fitzgibbon asked if he had any other ideas for space such as looking outside the state complex.

President Pomerantz said staff can get together and see what they can do for the requirements for space.

Mr. Richey said the Board Office staff needs to be housed in the state complex.

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Regent Fitzgibbon expressed concern that a year from now they will still be talking about it. He felt they should make provisions now.

President Pomerantz suggested it could be handled on the basis of a supplemental budget request.

Regent Fitzgibbon asked if between now and the time this budget is submitted staff can come up with a figure they can pretty much rely on.

President Pomerantz suggested that a supplemental budget request might be the best way to deal with it. They will try to get it resolved before the legislature convenes.

Regent VanGilst referred to the Board Office problem getting printing done after regular business hours at the state complex. He suggested staff get a key in order to use the equipment after hours. He said that in talking about efficiency in government this was an excellent opportunity for some cooperation between agencies.

Mr. Richey responded that the Board Office has offered to pay overtime for General Services employees. That offer was declined. Board Office staff are also not allowed to use the equipment themselves.

President Pomerantz suggested that staff talk with Mr. Walters and see if they can work something out.

MOTION: Regent Harris moved to approve a request of \$1,139,672 for fiscal year 1990 and \$1,163,022 for fiscal year 1991 for the operations of the Board Office. Regent Fitzgibbon seconded the motion.

President Pomerantz stated that they will deal with the space issue as a potential supplemental budget request.

VOTE ON THE MOTION: The motion carried unanimously.

DISABILITY INSURANCE FOR INSTITUTIONAL HEADS AND EXECUTIVE SECRETARY.

ACTION: President Pomerantz stated this item would be referred back to the Board Office for further analysis.

BOARD OFFICE PERSONNEL REGISTER. The Board Office recommended that the Board approve the Register as outlined below for October 1988.

Appointment:

Paula Meirick, Clerk I, Grade 503, Step 3, annual salary of \$12,355.20 plus the usual fringe benefits.

ACTION: President Pomerantz stated that the Board approved the Register for October 1988 as a consent item.

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

November 16-17	University of Northern Iowa	Cedar Falls
December 14-15	Marriott Hotel	Des Moines
January 11, 1989	Iowa State University	Ames
February 15-16	Marriott Hotel	Des Moines
March 15-16	Iowa School for the Deaf	Council Bluffs
April 12	University of Iowa	City
April 13	Iowa Braille and Sight Saving School	Vinton
May 24-25	(To Be Designated)	Atlantic
June 21-22	University of Northern Iowa	Cedar Falls
July 14	(To Be Designated)	Okoboji
August	NO MEETING	
September 20-21	Iowa State University	Ames
October 18-19	University of Iowa	Iowa City

ACTION: President Pomerantz stated the meetings schedule was received 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.

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, October 19 and Thursday, October 20, 1988.

REGISTER OF PERSONNEL CHANGES. The Board Office recommended the Board approve the Register for the month of August 1988 and approve the commissioning of Lucy Wiederholt as permanent Special Security Officer.

ACTION: President Pomerantz stated the Board approved the Register for the month of August 1988 and the commissioning of Lucy Wiederholt as permanent Special Security Officer as a consent item.

ANNUAL REPORT ON FACULTY RESIGNATIONS. This was handled as a general docket item.

REPORT ON OCCUPATIONAL THERAPY. The Board Office recommended the Board defer action on the Master of Occupational Therapy Program at the University of Iowa pending a study by the Board Office and Committee on Educational Coordination in consultation with the community colleges and the independent colleges and universities to determine how best to cooperate to offer Occupational Therapy programs to meet existing needs. The deadline for the report is the December 1988 meeting of the Board of Regents.

A study conducted at the University of Iowa confirms that a need exists for occupational therapists in Iowa and recommends a Master of Occupational Therapy at the University of Iowa. The university concurs with the study report but recommended deferral to seek external funding.

The Board Office believes that the need in Iowa now is for practitioners, not administrative personnel, and recommends that the Board Office and Interinstitutional Committee in cooperation with the community colleges and independent colleges seek a cooperative solution to the need for Occupational Therapists in Iowa.

Vice President Vernon stated that university officials are trying to locate non-state dollars. The start-up cost for this program is over \$1 million. He said university officials have talked to the community colleges and the private colleges. St. Ambrose College is trying to start a BA program.

Regent Williams asked for clarification of the difference between the two-year program at Kirkwood Community College and the St. Ambrose proposed four-year program.

Dr. Montgomery stated that the St. Ambrose program is a four-year program that would lead to the BA. He said Kirkwood Community College would provide the persons who would be assistants to the fully-qualified occupational therapists. He said the entry level is somewhat likely to go toward the MA program. He noted that with the Board's approval the university had gone to the MA level for physical therapists. Many of the courses for the occupational therapist program would parallel those of the physical therapist program. It seemed appropriate they should go to the MA program. He said they are not intending to train administrators and researchers. They would be training practitioners because that is where the need is.

Regent Williams asked how long this will be deferred? Mr. Richey hoped it would be deferred no later than the December Board meeting so they can make some decision before the legislative session.

MOTION:

Regent Williams moved to defer action on the Master of Occupational Therapy Program at the University of Iowa pending a study by the Board Office and Committee on Educational Coordination in consultation with the community colleges and the independent colleges and universities to determine how best to cooperate to offer Occupational Therapy programs to meet existing needs. The deadline for the report is the December 1988 meeting of the Board of Regents. Regent VanEkeren seconded the motion, and it carried unanimously.

CENTER FOR LASER SCIENCE AND ENGINEERING. 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 University of Iowa requested approval for a Center for Laser Science and Engineering. The university's request did not indicate the level of state support being sought for the center. Regent policy requires that all centers and institutes requiring more than \$25,000 annual support from state appropriations must be specifically approved by the Board of Regents. Since the university requested approval of the center, Board Office staff assumed that the level of state support being sought was greater than \$25,000 per year. As such, the university should provide the Board Office and the Interinstitutional Committee on Educational Coordination with responses to the questions noted in 6.06 of the Procedural Guide.

Vice President Vernon said this was to formalize what university officials had planned to go along with the building of the Laser Science Building. This is just part of trying to develop that program. He noted that the ground breaking for the Laser Science Building is on November 9.

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

APPOINTMENT. The Board Office recommended that the Board approve the appointment of DOYLE L. WEISS as Chair of the Department of Marketing in the College of Business Administration for a three-year term, effective October 20, 1988, at an academic year salary of \$83,215.

MOTION: Regent Williams moved to approve the appointment of DOYLE L. WEISS as Chair of the Department of Marketing in the College of Business Administration for a three-year term, effective October 20, 1988, at an academic year salary of \$83,215. Regent Greig seconded the motion, and it carried unanimously.

AMENDMENTS TO THE BYLAWS, RULES AND REGULATIONS OF THE UNIVERSITY OF IOWA HOSPITALS AND CLINICS AND ITS CLINICAL STAFF. The Board Office recommended the Board approve the Amendments to the Bylaws, Rules and Regulations of the University of Iowa Hospitals and Clinics and its Clinical Staff.

The University of Iowa Hospitals and Clinics requested approval of seven changes to its Bylaws. The proposed changes relate to updating the Bylaws as to clarification of intent, name and organizational changes, changes in accreditation requirements, and changes in the scope of committees.

MOTION: Regent Harris moved to approve the Amendments to the Bylaws, Rules and Regulations of the University of Iowa Hospitals and Clinics and its Clinical Staff. Regent Williams seconded the motion, and it carried unanimously.

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

PROJECT DESCRIPTIONS AND BUDGETS

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

College of Medicine Administration Wing \$4,623,750

Source of Funds: Gifts to the University of Iowa
Foundation and Facilities Corporation
Revenue Bonds

Preliminary Budget

Design, Inspection and Administration	\$ 587,850
Construction	3,669,000
Contingency	<u>366,900</u>
TOTAL	\$4,623,750

The College of Medicine Administration Wing will replace a 17-year-old "temporary" pre-fabricated metal building. Planned as a wing to the recently-completed Human Biology Research Facility, the building will provide office and office support space for the administrative activities of the College of Medicine.

The building will contain 35,060 gross square feet and 22,770 net square feet for a net-to-gross ratio of 64.9. Of the net space, approximately 15,070 will be finished and 7,700 will be unfinished.

The estimated construction cost, after adjustment for the extension of HVAC services to adjacent spaces, is \$95.87 per gross square foot.

In November the university will be providing to the Board for its approval two technical changes in the financing documents for this project. The changes are in the legal description of the land involved and the project description. The project description must be changed to incorporate the administration wing. Documents brought to the Board in November will be prepared by bond counsel for the Board and the University of Iowa Facilities Corporation.

College of Medicine Administration Building

This building is located on the proposed site of the College of Medicine Administration Wing. It must be removed prior to initiation of construction of the new facility. The building is a pre-engineered metal building constructed in 1971. It houses some administrative activities of the College of Medicine. The building is constructed in such a manner as to preclude economic relocation. Demolition funds are provided in this project budget.

Kinnick Stadium--Replace Playing Surface \$1,077,000
Source of Funds: Department of Men's Intercollegiate
Athletics Reserves

Preliminary Budget

Design, Inspection and Administration	\$ 98,000
Construction--	
Remove existing surface and base and install utilities	290,000
Install PAT grass system	600,000
Contingency	<u>89,000</u>
TOTAL	\$1,077,000

The artificial turf playing surface in Kinnick Stadium will be eight years old after this season and is in need of replacement. As the artificial turf ages its foam rubber base hardens and the grass carpet deteriorates. Both of these conditions increase the risk of injuries. The need to replace the turf presents an opportunity to change the playing surface in the stadium. The university wishes to take advantage of the need to replace the artificial turf and install a natural grass surface, thus providing a state-of-the-art playing surface for the athletes.

The recent development of a natural grass playing system with automatically controlled moisture content virtually eliminates the wet playing conditions previously associated with natural grass surfaces and makes natural grass a practical alternative to artificial turf. This patented system, known as Prescription Athletic Turf (PAT), features a piping system in the root zone that can remove or add water according to information acquired by an automatic sensing system. Surface watering is accomplished with an irrigation system. The grass is grown in a sand, peat and nutrient mixture. The automatic dewatering system permits the field to be constructed with a flat playing surface rather than the crowned surface normally required to provide surface drainage. This feature increases the spectators' view of the playing field and provides a better playing surface. The present Kinnick Stadium surface is crowned as much as 21 inches.

The project will include the removal of the artificial turf base system and its replacement with the base for the natural turf. The storm water drainage system will be protected and retained.

According to the university the PAT system is the only system that combines a sand base for enhanced drainage with an automatically controlled piping system for the removal and supply of water in the root zone of the grass. Other systems use only the sand base. The PAT system is the only system known to have been successfully installed at other major universities or on

professional football fields. For these reasons the university proposed to install the PAT system.

The university proposed that it be permitted to negotiate a contract for the installation of the PAT system. The system is patented and can be installed only by franchised dealers with exclusive territories. Under these conditions the public bidding of the contract would serve no useful purpose. The excavation of the existing base and the installation of utility connections to the PAT system will be awarded by the public bidding process.

The university will execute an agreement with Shive-Hattery Engineers and Architects, Iowa City, for the provision of professional services for the project.

* * * * *

The university presented a revised budget on the following project.

North Campus Parking and Chilled Water Facility

Original Budget \$9,931,875
Revised Budget \$9,973,375

Approved Preliminary Budget

	<u>University</u>	<u>Iowa City</u>	<u>Total</u>
Design, Inspection and Administration	\$1,149,045	NIC	\$1,149,045
Construction	7,660,300	\$525,000	8,185,300
Contingency	<u>572,530</u>	<u>25,000</u>	<u>597,530</u>
TOTAL	\$9,381,875	\$550,000	\$9,931,875

Source of Funds:

Revenue from Bond Sales--Parking	\$3,056,000
Laser Laboratory Building Budget	1,029,000
Chemistry-Botany Building Remodeling--Phase II	1,110,000
Treasurer's Temporary Investments	3,000,000
Master Lease	1,186,875
City of Iowa City	<u>550,000</u>
TOTAL	\$9,931,875

Revised Preliminary Budget

	<u>University</u>	<u>Iowa City</u>	<u>Total</u>
Design, Inspection and Administration	\$1,004,875	NIC	\$1,004,875
Construction	8,103,000	\$571,000	8,674,000
Contingency	391,000	28,500	419,500
Sales Tax Refund	<u>(117,000)</u>	<u>(8,000)</u>	<u>(125,000)</u>
TOTAL	\$9,381,875	\$591,500	\$9,973,375

Source of Funds:

Revenue from Bond Sales--Parking	\$3,056,000
Laser Laboratory Building Budget	1,029,000
Chemistry-Botany Building Remodeling--Phase II	1,110,000
Treasurer's Temporary Investments	3,000,000
Master Lease	1,186,875
City of Iowa City	<u>591,500</u>
TOTAL	\$9,973,375

Bids for the building construction package for this multi-phase project were received on September 2, 1988. They were over estimates. It was possible, however, to revise the budget to permit recommending the award of the contract so that this crucial project can move forward, and to retain sufficient funds to complete the project. As a part of this adjustment it was necessary to request that the City of Iowa City revise upward its commitment to this project to permit construction of the Iowa City water storage facility. The city has approved the addition of \$41,500 to its commitment and has approved an amendment to the Chapter 28E agreement reflecting this adjustment and renewing its commitment to the project. The Board was requested to approve the amendment to the agreement.

In addition to incorporation of the additional funds committed by the City of Iowa City, it was necessary to adjust the budget lines of the approved preliminary budget to provide sufficient funds on the construction line to permit award of the building construction contract. Funds have been transferred from the design and contingency lines to the construction line to accomplish this. In addition, anticipated sales tax refunds have been incorporated in the budget. Finally, deduct change orders totaling \$287,500 have been negotiated with the low bidder for the project, Weitz Company, Inc. These change orders will not result in any unacceptable reduction in the quality, functions or appearance of the facility.

* * * * *

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

ARCHITECT/ENGINEER AGREEMENTS

Amendments Reported:

<u>Laser Laboratory Building</u> Herbert Lewis Kruse Blunck Architects, Des Moines, Iowa	<u>\$20,962.43</u>
<u>Northwestern Bell Central Office Building (302 South Linn Street)--Remodel Fourth and Fifth Floors</u>	<u>\$7,136.00</u>
<u>University Hospitals and Clinics--4 Tower Maternity Renovation--Phase II</u>	<u>\$2,579.86</u>
<u>Chemistry-Botany Building Remodeling--Phase II</u>	<u>\$2,265.00</u>

CONSTRUCTION CONTRACTS

The following construction contracts were awarded by the Executive Secretary:

<u>North Campus Parking and Chilled Water Facility</u> Award to: The Weitz Company, Inc., Des Moines, Iowa (4 bids received)	<u>\$4,805,000</u>
<u>North Campus Parking and Chilled Water Facility-- Contract 3--Ceramic Cooling Tower</u> Award to: Ceramic Cooling Tower Company, Fort Worth, Texas (2 bids received)	<u>\$407,294</u>
<u>North Campus Parking and Chilled Water Facility-- Soil Retention Package</u> Award to: Blackhawk Foundation Company, Inc., Geneseo, Illinois (4 bids received)	<u>\$309,000</u>
<u>University Hospitals and Clinics--4 Tower Maternity Modernization--Phase II</u> Award to: McComas-Lacina Construction Company, Inc., Iowa City, Iowa (1 bid received)	<u>\$284,663</u>
<u>Chemistry-Botany Building Remodeling--Phase II--Asbestos Abatement-- Southwest and Center Southwest Wing</u> Award to: Quad Cities Insulation, Inc., Burlington, Iowa (1 bid received)	<u>\$190,249</u>

Engineering Research Facility Steam Line \$108,000
Award to: Modern Piping, Inc., Cedar Rapids, Iowa
(4 bids received)

ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

Medical Laboratories--Remodel Lecture Room No. 1
McComas-Lacina Construction Company, Inc., Iowa City, Iowa

Main Power Plant Boiler Replacement--Phase I--Boiler No. 11--
Contract 2--Coal, Ash and Limestone Silos
The Nicholson Company, Reno, Ohio

Associate Director Jensen stated there was a need to add the following to the capital register: Approval of contract award for the Medical Research Center Laboratory renovations in the amount of \$187,561. Only one bid was received. McComas-Lacina Construction Company, Inc., Iowa City, Iowa.

MOTION: Regent Fitzgibbon moved to approve the university's capital register. Regent Williams seconded the motion, and upon the roll being called, the following voted:
AYE: Fitzgibbon, Greig, Harris, Pomerantz, Tyler, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Duchon.

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

- (a) EDUCATIONAL CONCEPTS, LTD. for their use of approximately 918 square feet of office space (Rooms No. 5, 219, and 221) in the university's Technology Innovation Center (TIC) for a period of six months commencing November 1, 1988 and ending April 30, 1989 at a rent of \$3,901.50 for the period (Renewal); and
- (b) VETERANS ADMINISTRATION HOSPITAL for their use of approximately 170 parking spaces in the university's Finkbine parking lot for a period of five years, commencing December 1, 1988, with cancellation by either party on ninety-days' notice, for a rent of \$24 per parking space per month for a total monthly rental of \$4,080.

EDUCATIONAL CONCEPTS, LTD. -- This tenant initially was charged \$6 per square foot per year. At the time of a previous renewal the rate was increased to \$8.50 to reflect the university's belief that the tenant had developed to a point it should be ready to move out on its own. The rate remains \$8.50 for this renewal.

VETERANS ADMINISTRATION HOSPITAL -- The university has for some time had an arrangement whereby employees of the Veterans Administration Hospital parked in university parking lots for a fee. The spaces they were permitted to use changed from time to time as the needs of the university changed.

The university proposed to allocate 170 parking permits to the Veterans Administrations Hospital for use in the Finkbine Commuter Parking Lot. The Veterans Administration will pay \$24 per parking space per month (\$4,080 per month; \$48,960 per year) for use of the spaces.

The lease is for five years and provides that it may be terminated by either party on ninety-days' written notice.

MOTION: Regent Williams moved to approve leases with tenants, as presented. Regent Fitzgibbon seconded the motion, and upon the roll being called, the following voted:
AYE: Fitzgibbon, Greig, Harris, Pomerantz, Tyler, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Duchen.

TUITION AND FEES SCHEDULE FOR 1989-90. The Board Office recommended the Board (1) defer action on part-time regular student tuition rates and related correspondence study, off-campus coursework, workshops, Hospital Certificate Technology programs, and other tuition-related fees until Regent action is taken on full-time tuition and fees in November, and (2) approve all other proposed miscellaneous fees as detailed on the university's proposed miscellaneous fee schedule effective the 1989 summer session.

Miscellaneous fees were not proposed for any new purposes.

Increases requested, including the proposed \$5,400 (3 years) Dental Supply-- Instrument Management System Fee, are to bring fees closer to revenues needed to support the services and/or materials required.

MOTION: Regent Williams moved to (1) defer action on part-time regular student tuition rates and related correspondence study, off-campus coursework, workshops, Hospital Certificate Technology programs, and other tuition-related fees until Regent action is taken on full-time tuition and fees in November, and (2) approve all other proposed miscellaneous fees as detailed on the university's proposed miscellaneous fee schedule effective the 1989 summer session. Regent Harris seconded the motion.

Regent Williams asked why the liability insurance for dental hygiene students had more than doubled. Vice President Vernon responded that he did not know why, but said if it was for reasons other than that the cost had gone up he would let Regent Williams know.

VOTE ON THE MOTION: The motion carried unanimously.

BUDGET CEILING ADJUSTMENT 1988-1989. The Board Office recommended the Board approve an increase of \$1,133,968 in the fiscal year 1988-89 budget for the general education fund to reflect additional income and expense.

The University of Iowa currently projects a fiscal year 1989 increase in general university income of \$1,133,968.

The university reported that \$968,668 of additional income is expected to be derived from increased student tuition due to an increase in student enrollment over projections. The income from estimated tuition receipts will be expended during the current year for increased instructional expenses related to the higher than expected enrollment. It is anticipated that the additional funds will be expended for instructional equipment (\$293,668), instructional supplies and services (\$325,000), and instructional salary expenses (\$350,000). The income from increased tuition receipts is necessary to support costs of accommodating the additional students.

The other \$165,300 is for state audit costs. An appropriation transfer request from the tuition reimbursement balance has been submitted to the Department of Management by the Board Office for this purpose. The university will not expend these funds until the transfer is approved.

MOTION: Regent Williams moved to approve an increase of \$1,133,968 in the fiscal year 1988-89 budget for the general education fund to reflect additional income and expense. Regent Fitzgibbon seconded the motion.

Regent Williams noted there were significant increases in instructional equipment and supplies and services. Vice President Phillips said this will largely be for adding instructional supplies and services and utilizing teaching assistants. They may have to make adjustments the second semester but this is what they estimate at this point.

VOTE ON THE MOTION: The motion carried unanimously.

AMENDMENT TO LEASE AGREEMENT RELATING TO ADMINISTRATIVE WING OF HUMAN BIOLOGY RESEARCH FACILITY. The Board Office recommended the Board approve an amendment to the financing documents on the Human Biology Research Facility to accommodate the College of Medicine Administrative Wing.

In September the Board authorized the university to proceed with project planning on the College of Medicine Administrative Wing on the Human Biology Research Facility. The Administrative Wing will house the College of Medicine offices and administrative support activities for the Laboratory Wing. At the time the Human Biology Research Facility was being planned, it was decided to eliminate the wing to house the college administration in favor of one additional floor of badly-needed research space.

Favorable construction bids have resulted in sufficient remaining funds to permit completion of the facility. However, this requires some changes to the financing documents by the University of Iowa Facilities Corporation and the Board of Regents. Changes needed to the financing documents have been incorporated into a resolution prepared by the Board's bond counsel, the Ahlers law firm. The resolution incorporates the Administrative Wing into the description of "facility" as defined in several financing documents. The resolution also provides for an amendment of the legal description in the ground lease between the Board of Regents and the Facilities Corporation to incorporate additional land required to complete the Administrative Wing. The University of Iowa Facilities Corporation considered and approved these changes at its meeting on October 13, 1988.

Vice President Phillips stated that earlier that month the Regents were sent a copy of the architect's renderings. She noted that this project does not involve the use of state funds.

MOTION:

Regent Harris moved to approve an amendment to the financing documents on the Human Biology Research Facility to accommodate the College of Medicine Administrative Wing. Regent VanGilst seconded the motion, and upon the roll being called, the following voted:
AYE: Fitzgibbon, Greig, Harris, Pomerantz, Tyler, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Duchon.

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 19 and Thursday, October 20, 1988.

RATIFICATION OF ACTIONS IN REGISTER OF PERSONNEL CHANGES FOR SEPTEMBER 1988, INCLUDING EARLY RETIREMENT REQUESTS. The Board Office recommended that the Board approve the Register for the month of September 1988.

The Register included ratification of faculty early retirements, as follows:

Rosalind Engel, retired August 21, 1988, and will have a total cost of \$27,897 for incentives. The cost savings attributed to the retirement will be used for faculty replacement and budget reallocations.

William F. Riley, retiring December 31, 1988, will have a total cost of \$26,006 for incentives. The cost savings attributed to the retirement will be used for faculty replacement and budget reallocations.

ACTION: President Pomerantz stated the Board approved the Register for the month of September 1988 as a consent item.

REQUEST FOR APPROVAL OF ADMINISTRATIVE APPOINTMENTS AND REAPPOINTMENT. The Board Office recommended that the Board approve and ratify the appointment of administrators, as follows:

1. DONALD D. DRAPER as Professor and Interim Chair of the Department of Veterinary Anatomy, effective September 15, 1988, through June 30, 1989, at an annual salary of \$77,500;
2. JAMES D. IVERSEN as Professor and Chair of the Department of Aerospace Engineering, effective August 25, 1988, through June 30, 1990, at an annual salary of \$84,000;
3. JAMES R. GILLEY as Professor and Head of the Department of Agricultural Engineering, effective November 1, 1988, to serve at the pleasure of the Dean of Agriculture, at an annual salary of \$82,500; and
4. KARL SEIFERT as Professor and Chair of the Department of Earth Sciences, effective July 1, 1988, through June 30, 1991, at an annual salary of \$57,000.

MOTION: Regent Harris moved to approve and ratify the appointment of administrators, as

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

ACCEPTANCE OF REPORT OF RESIGNATIONS. This was handled as a general docket item.

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

Iowa State University requested approval to change the name of the Department of Earth Sciences to the Department of Geological and Atmospheric Sciences. The reason for the request is that the new title more accurately identifies the two major program thrusts of the department and duly recognizes the emergence of Iowa State University's important strength in Atmospheric Science.

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

REGISTER OF CAPITAL IMPROVEMENTS BUSINESS TRANSACTIONS WITH SEMI-ANNUAL REPORT ON STATUS OF CAPITAL PROJECTS. The Board Office recommended the Board approve the capital register.

PROJECT DESCRIPTIONS AND BUDGETS

The university submitted one project for approval by the Board.

Industrial Education II Remodeling \$250,000
Source of Funds: 72nd General Assembly Academic
Revenue Bonds

Initial Project Budget

Contracts	\$200,000
Design Services	19,700
Construction Administration	15,800
University Services	5,000
Miscellaneous	500
Building Automation	500
Telecommunications	500
Reserved for Future Contracts and Contract Changes	<u>\$ 8,000</u>
TOTAL	\$250,000

This project is another in a series of projects to remodel the old Veterinary Clinic, now named Industrial Education II, to suit the needs of the Department of Industrial Education and Technology. This project will continue with the implementation of the 1985 schematic design by remodeling approximately 1,200 gross square feet of space at the east end of the facility to provide an expanded and modernized teaching laboratory for the electronics/robotics component of the program. This remodeling will raise the floor of this area approximately four feet to match the first floor level of the building, update mechanical/electrical systems, as well as install new thermally efficient windows.

* * * * *

The university presented revised budgets on the following projects.

Dairy Industry Building--Addition and Renovation

Original Budget \$14,320,000
 Revised Budget \$21,500,000

Project Budget

	<u>Original Budget May 1988</u>	<u>Revised Budget</u>
Construction Contract	\$11,024,391	\$12,380,000
Design Services	857,000	1,016,590
Construction Administration	470,000	501,390
University Services	160,000	371,400
Miscellaneous	9,000	23,800
Landscaping	60,000	61,900
Utility Extension	205,000	247,600
Fixed Equipment	115,000	0
Movable Equipment	100,000	5,000,000
Art Work	71,600	82,500
Building Automation	138,000	185,700
Telecommunications	100,000	247,600
Contingency	<u>\$ 1,010,009</u>	<u>\$ 1,381,520</u>
TOTAL	<u>\$14,320,000</u>	<u>\$21,500,000</u>

Source of Funds:	Iowa Lottery Funds	\$ 500,000	\$ 200,000
	USDA CSRS	\$ 6,813,000	6,092,779
	Other Federal Funds	<u>\$ 7,637,000</u>	<u>15,207,221</u>

This project was last reported to the Board at the September 1988 meeting. At that time, the Board approved the building program for the new facility.

The schematic design master plan has been developed and has been approved by appropriate university personnel. The design was prepared by project architects Bussard/Dikis Associates with input from the building program and potential occupants of the new center. The building will contain an estimated 120,000 gross square feet and 72,000 net square feet for a net-to-gross ratio of 60 percent.

As a consultant to the architects, Cost Planning and Management International of Des Moines, has prepared a schematic design cost estimate. All costs assume start of construction early in 1989. All equipment necessary for a fully-functioning facility is included in this budget (\$5 million).

<u>Elm Hall--Remodel for Social and Behavioral Research</u>	Original Budget	<u>\$144,000</u>
<u>Center for Rural Health</u>	Revised Budget	<u>\$242,300</u>

Source of Funds: Overhead Reimbursement for Use of
Facilities and/or Building Repair Fund

Project Budget

	<u>Original Budget July 1988</u>	<u>Revised Budget</u>
Contracts		
Construction Contract	\$ 98,800	\$152,000
Asbestos Removal/Pipe Insulation		38,000
Design Services		
Architect/Engineer Agreement	24,700	13,800
Construction Administration		
Environmental Health and Safety	2,000	9,000
University Services	3,000	1,500
Central Stores		1,500
Miscellaneous	1,500	500
Landscaping	1,000	1,500
Fixed Equipment	1,500	7,500
Telecommunications	2,000	2,000
Reserved for Future Contracts and Contract Changes	<u>\$ 9,500</u>	<u>\$ 15,000</u>
TOTAL	\$144,000	\$242,300

This project has increased \$98,300 from the last budget approved at the July 1988 Board meeting. This increase is based upon a more refined design which more accurately reflects the mechanical needs of the space. Also, it has

been determined that there is a need to remove a significant amount of asbestos in and around the remodeled space.

The Rural Health Research Center was created by a combination of university funds and a matching grant from the Iowa Methodist Health System. The Center facilitates research and development activities leading to innovative products, programs, and services to meet increasing rural health care needs under conditions of diminishing rural community resources. The Center combines the expertise of multi-disciplinary university researchers with the skills of practitioners in a private medical setting to accomplish a mission that neither can accomplish alone. Current Center projects have been approved for approximately \$3 million in funding from various federal agencies including the National Institute of Mental Health and the National Institute of Drug Abuse.

Because there are no existing facilities on campus that can adequately house either the Center or Center-related research projects, an area of roughly 8,500 square feet in Elm Hall was proposed as a desirable location. Elm Hall is a facility in the Department of Residence for housing single students. Approximately 4,800 square feet of the space needs to be remodeled into offices and laboratories to meet the Center's requirements.

Regent Williams said this was a significant budget increase.

Vice President Madden stated that the basic cause has to do with asbestos removal in the lower level of the building. It is a very costly process. The issue is whether to do it or not. Sooner or later they would have to do it so they decided it was better to tackle this now and get it done.

Regent Williams said the reason she got concerned was that she remembered how this all began -- they didn't have a center then had a center. She wasn't comfortable with this project from the beginning. She has concerns when she sees how programs develop and become self perpetuating.

Applied Sciences Center--Center for New Industrial Materials

Original Budget	<u>\$6,000,000</u>
Revised Budget	<u>\$6,072,000</u>

Source of Funds:	Department of Energy Fund	\$6,000,000
	Parking Systems	50,000
	Air Force Office of Scientific Research	<u>\$ 22,000</u>

Project Budget

	Original Budget <u>Jan. 1988</u>	Revised Budget <u>Budget</u>
Construction Contract	\$4,594,545	\$3,633,300
Design Services	496,000	551,000
Construction Administration	120,000	124,500
University Services	90,000	90,000
Miscellaneous	240,000	25,000
Landscaping		20,000
Fixed Equipment		15,000
Art Work		30,000
Building Automation		50,000
Telecommunications		20,000
Reserved for Future Contracts and Contract Changes	<u>\$ 459,455</u>	<u>\$1,505,475</u>
TOTAL	\$6,000,000	\$6,072,000

This budget has increased \$72,000 from the last approved budget of \$6 million reported in January 1988. The university is showing two additional sources of funding for this project: 1) Parking Systems will be used to fund the construction of a parking lot which is part of the Phase I contract; and, 2) Air Force Office of Scientific Research will fund costs for a consultant to assist the architect in program development and facilities evaluation for the Microelectronics Research Center.

* * * * *

The university presented four new projects that the university is initiating with budgets of less than \$200,000. The title, sources of funds, and estimated budgets for the projects were listed in the register prepared by the university.

ARCHITECT/ENGINEER AGREEMENTS

Dairy Industry--Addition and Renovation \$575,000
 Bussard/Dikis Associates, Des Moines, Iowa
 (Architectural/Engineering Services)

The university requested permission to enter into an agreement with Bussard/Dikis Associates of Des Moines for architectural/engineering services to continue the planning process through construction for the first phase of the subject project. The agreement will be on the Board of Regents standard form of agreement and compensation will be based on a multiple of direct

personnel expense with a fixed maximum of \$575,000, including reimbursable expenses and cost consultant retained by the architects.

Swine Nutrition and Management Research Center--

Swine Housing

\$75,600

Rietz Engineering Consultants, Ames, Iowa
(Engineering Services)

This project was last reported to the Board at the September 1988 meeting. Rietz Engineering Consultants of Ames has completed the services required for the schematic design phase agreement. The university requested permission to enter into an agreement with Rietz Engineering consultants for engineering services for the design development phase through the construction phase. The agreement will be on the Board of Regents standard form of agreement and provides compensation based on hourly rates with a fixed maximum of \$75,600, including reimbursables.

Amendments:

Recreation/Athletic Facility

\$4,560

Bussard/Dikis Associates, Des Moines, Iowa

Additional services are required for Bussard/Dikis Associates for additional redesign of the utilities service entrance tunnel to the building. This redesign is necessary because the university desires to minimize the cost of this service entrance while at the same time not compromise building maintenance requirements. The services referred to here were not included in the additional services approved at the July 1988 meeting for redrawing documents to describe the negotiated changes nor were they included in the additional services approved at the September 1988 meeting. The maximum amount billable for these services is \$4,560.

A summary of all changes to the Agreement is as follows:

Original Agreement		\$642,000
Change No. 1	\$20,000	
Change No. 2	8,500	
Change No. 3	16,000	
Change No. 4	5,000	
Change No. 5	19,000	
Change No. 6	9,250	
Change No. 7	<u>4,560</u>	
Subtotal, all changes	\$82,310	
Maximum amount payable for services including this Change Order		\$724,310

Change No. 7 will not result in an increase in the total project budget.

CONSTRUCTION CONTRACTS

Applied Sciences Center--Center for New Industrial
Materials--Phase I

Revised Award \$3,670,000

Award to: Story Construction Company, Ames, Iowa
(8 bids received)

Molecular Biology Building--Utilities--North Campus Feeder

\$202,439

Award to: Hurst and Sons Contractors, Inc., Waterloo, Iowa
(7 bids received)

The low bidder, Harrison-Douglas, Inc., of Des Moines, Iowa, submitted a bid significantly lower than that of any other bidder. However, a major error in the bid was suspected by the university. University officials met with Harrison-Douglas to review the bid. University officials determined that Harrison-Douglas erroneously subtracted an addition alternate of 1,560 feet of conduit. Harrison-Douglas has been in business for less than one year and recognizing its mistake immediately requested in writing that the bid be withdrawn. The university requested award of this contract to the second low bidder, Hurst and Sons Contractors, Inc. The contract was awarded to Hurst and Sons by the Executive Secretary due to upcoming freezing temperatures and difficult soil conditions. These conditions were not included in the contract base bid and would have impacted final project costs. The engineer's estimate was \$211,000.

CHANGE ORDERS TO CONSTRUCTION CONTRACTS

Car Pool Fueling Station

Increase \$41,322

R. H. Grabau Construction, Inc., Boone, Iowa

A revised budget for this project was approved by the Board in July 1984. This budget was increased due to additional costs for removal of contaminated soil encountered after underground fuel tanks were removed. The final cost of this additional work by R. H. Grabau Construction, Inc., prime contractor on the project, is \$41,322.

This change order will not require an increase in the last approved budget of \$387,000.

FINAL REPORTS

<u>Library Addition--Phase I</u>	<u>\$9,010,313.02</u>
Source of Funds: 68th General Assembly Capital Appropriation	\$3,900,000.00
69th General Assembly Academic Revenue Bonds (1981 Series)	3,200,000.00
69th General Assembly Academic Revenue Bonds (1982 Series)	1,506,545.56
Iowa State University Foundation Income from Treasurer's Temporary Investments	400,000.00 <u>\$ 3,767.46</u>

<u>Friley Hall Renovation--Phase 5</u>	<u>\$1,129,343.40</u>
Source of Funds: Dormitory System Surplus	

<u>Beardshear Hall--Atrium Sprinkler System</u>	<u>\$300,286.89</u>
Source of Funds: 70th General Assembly Capital Appropriation	\$ 48,300.00
Building Repair Fund	240,688.81
Income from Treasurer's Temporary Investments	<u>\$ 11,298.28</u>

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

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

The adoption of this resolution was necessary to allow the university to continue to keep its status as a "cleared facility" with the federal government. This industrial security agreement is a revision of the agreement approved by the Board in June 1988. It was revised to reflect changes in the university's organizational structure and personnel changes.

MOTION: Regent Harris moved to approve the proposed resolution. Regent Fitzgibbon seconded the motion, and it carried unanimously.

FISCAL YEAR 1989 BUDGET REVISIONS. The Board Office recommended the Board approve revisions in the general university fiscal year 1989 operating budget to reflect an increase of \$1,000,600 in revenues making a revised operating budget of \$190,826,766.

Iowa State University officials currently project a fiscal year 1989 increase in general university income of \$1,000,600.

The actual fall enrollment for Iowa State University for the 1988-89 academic year is 25,488 students which is a decline of 259 students below the 1987-88 fall enrollment. The university had previously projected an enrollment decline of approximately 772 students. The \$900,000 income from increased tuition receipts is necessary to support of accommodating the additional 513 students. The university also anticipates approximately a \$100,000 reduction in sales relating to Animal and Dairy Science programs.

The university proposed to distribute the net increase in revenues of \$800,000 between increased faculty salaries and supplies and services operations. The other \$200,600 is for state audit costs. An appropriation transfer request from the fiscal year 1989 tuition reimbursement balance has been submitted to the Department of Management by the Board Office for this purpose. The university will not expend these funds until the transfer is approved.

Vice President Madden stated that for the current fiscal year they have more accurate information on enrollments. The decline in enrollments was substantially less than projected in the budget last spring. He said part of that is due to their better marketing program.

MOTION:

Regent Williams moved to approve revisions in the general university fiscal year 1989 operating budget to reflect an increase of \$1,000,600 in revenues making a revised operating budget of \$190,826,766. Regent Harris seconded the motion, and it carried unanimously.

TUITION AND FEE SCHEDULE FOR 1989-90. The Board Office recommended the Board (1) defer action on all part-time regular tuition rates, extension course rates per credit hour, and workshop charges per credit hour until the November Board meeting when full-time tuition rates are deliberated, (2) defer action on proposed semester health fees. The health services issue is being reviewed under a separate docket item, and (3) approve all remaining fees as noted on the university enclosure, effective the Summer Term, 1989.

There were very few changes in existing miscellaneous fee rates for 1989-90.

The university proposed mandatory student health fees and it was recommended that this be considered part of a larger issue to be addressed separately.

The university proposed two new miscellaneous student fees. A degree audit fee and a graduation fee have been requested. Additionally, a fast service fee has been added to existing transcript fee options.

MOTION:

Regent VanEkeren moved to (1) defer action on all part-time regular tuition rates,

extension course rates per credit hour, and workshop charges per credit hour until the November Board meeting when full-time tuition rates are deliberated, (2) defer action on proposed semester health fees, and (3) approve all remaining fees, effective the Summer Term, 1989. Regent Harris seconded the motion, and it carried unanimously.

IOWA STATE INNOVATION SYSTEM LEASE WITH RESEARCH PARK. The Board Office recommended that the Board approve the lease with Iowa State University Research Park Corporation for the university's use of approximately 7,232 square feet of space in Building No. 1 at 2501 North Loop Drive in the Iowa State University Research Park, Ames, for a period of five years commencing January 1, 1989, at a rate of \$8.50 per square foot per year or \$61,472 per year plus operating costs including provisions for termination of the lease if the university's ISIS program cannot fund the lease, subject to approval by the Board's executive secretary of language limiting the university's liability for operating expenses.

The university identifies that there is some risk associated with this lease for both the university and the Corporation. The university is not guaranteed the funds necessary to subsidize the Iowa State Innovation System (ISIS) Center. Tenants in ISIS pay only a portion of the cost of the space leased from the university. The difference is provided by grants and other funds not appropriated to the university by the General Assembly. If these other funding sources were to be eliminated, the university would lose whatever it invests in finishing the leased space and would likely cancel the lease as provided in the lease. The Corporation, or the successor landlord, would lose income. As the building is currently financed by a loan from the University Foundation, the Foundation could also be at risk for its investment. However, the university has a reasonable expectation the external funding of the ISIS program will continue and finds that with the cancellation clause the lease is a reasonable undertaking for the university.

Vice President Madden stated that last month university officials requested authorization to develop this lease. He noted that the Board Office requested prior approval of language limiting the university's liability for operating expenses. He said he believed they had worked out language that adequately addressed those concerns.

President Pomerantz noted that this lease was with an industrial research park, and asked if there were some industry there.

President Eaton responded that there was no manufacturing business there.

President Pomerantz asked if stock was owned by the university foundation.

Vice President Madden stated the funding for the construction of the buildings comes from the foundation.

President Pomerantz said it was his understanding that the foundation is funding these. He wanted the Regents to understand what is going on and the debt in that context which is not a direct state obligation. He said the foundation assumes the risk and safeguards the Regents.

MOTION: Regent VanGilst moved to approve the lease, as presented. Regent Tyler seconded the motion, and upon the roll being called, the following voted:
AYE: Fitzgibbon, Greig, Harris, Pomerantz, Tyler, VanEkeren, VanGilst, Williams.
NAY: None.
ABSENT: Duchon.

DAIRY INDUSTRY - ADDITION AND RENOVATION (A NATIONAL CENTER FOR FOOD AND INDUSTRIAL AGRICULTURAL PRODUCT DEVELOPMENT). The Board Office recommended the Board (1) approve the schematic design and budget for the Dairy Industry Building Addition and Renovation, (2) authorize the university to proceed with design development, construction documents, and construction of the first phase of the project, and (3) refer the request to establish a National Center for Food and Industrial Agricultural Product Development to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The university requested approval of the schematic design and budget for the Dairy Industry Building Addition and Renovation. The university also requested authority to proceed with design development, construction documents, and construction of the first phase of the project.

This project was last reported to the Board at the September 1988 meeting. At that time, the Board approved the building program for the new facility.

The schematic design master plan has been developed and has been approved by appropriate university personnel. The design was prepared by project architects Bussard/Dikis Associates with input from the building program and potential occupants of the new Center.

The total project budget for the facility is \$21,500,000, including equipment. The first phase of the project will provide a functioning facility commensurate with current appropriated funds of \$6,092,773 from the United States Department of Agriculture and \$200,000 from the Iowa Lottery for a total of \$6,292,773. It is anticipated that an additional \$1,700,000 will be appropriated by the current session of Congress. If this appropriation becomes a reality, the first phase will be expanded.

The proposed Center has never been formally approved by the Board of Regents. The university has provided responses to the Board's questions for approval of new centers and institutes and this was recommended for reference to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Vice President Madden introduced Al Overlander with Bussard/Dikis Associates.

Mr. Overlander said he would present the master plan for the project priorities established by the users of the project. Some monies are in hand now to begin the first phase of the project. Because of the uncertainty of the funding each phase must be able to stand on its own. The purpose of the project is to develop new products and processes to improve the competitiveness of agricultural products. He said they are dealing with an existing building on campus. The Dairy Industry Building is located on the east side of campus. The existing building consists of three parts. There are historical qualities of this building which include major art pieces in the building and the courtyard. They have to address vehicular access because of agriculture products brought in. The building is for public and student use. There are three floors -- ground, first and second floors. They will maintain the courtyard in tact. The visual characteristics of the addition will be of limestone and brick. The west elevation will remain as it is now. Net usable square feet is 75,000 square feet with a 60 percent net to gross efficiency. The cost for the total master plan at this point is \$12.3 million which is \$96/square foot.

Regent VanGilst asked what kind of products they envision.

Professor Earl Hammond said one thing they will be working on is biodegradable plastics. There will be new crops, industrial materials, and various fermentation products that can be produced from corn.

Regent Fitzgibbon noted that under "other costs" in the budget was included "university services". He asked what that was.

Vice President Madden responded that included in their capital register was a detailed project budget that breaks all that down.

President Pomerantz noted that the total cost was \$128/square foot and the \$96/square foot is the construction costs. He asked what penalties are attributed to the phasing of the building and questioned whether it would cost less to build it all at one time?

Mr. Overlander stated that if they were going out and doing the building from scratch it would be more efficient.

President Pomerantz asked if the reason for the phases was more funding related? Mr. Overlander responded that it was.

Regent Fitzgibbon said it would be interesting to see the use of the materials.

Vice President Madden said the next meeting of the Board of Regents in Ames is in January. They could see some then.

President Pomerantz asked about the anticipated funding.

President Eaton said there is a very high likelihood there will be more but they don't know if they will get to the \$21 million.

Regent Fitzgibbon asked what happens if all of a sudden there aren't any more funds available? Vice President Madden said they could stop at the end of any phase -- the building will work to that point.

President Eaton stated that this is where a lot of the future of Iowa agriculture lies.

President Pomerantz asked where the parking for this building is? President Eaton responded that directly across the street is one of the major parking areas on campus.

MOTION:

Regent Williams moved to (1) approve the schematic design and budget for the Dairy Industry Building Addition and Renovation, (2) authorize the university to proceed with design development, construction documents, and construction of the first phase of the project, and (3) refer the request to establish a National Center for Food and Industrial Agricultural Product Development to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. Regent Fitzgibbon seconded the motion, and it carried unanimously.

ANNUAL REPORT OF IOWA STATE CENTER. The Board Office recommended that the Board (1) receive the university's report on the operation of the Iowa State Center for the period July 1, 1987, to June 30, 1988, and (2) request the university and Board Office to develop in consultation with Regent Tyler a new format for providing the Board its semi-annual report on the operation of the Center.

The Board's action in approving the Ogden-Allied management contract for the Iowa State Center required a semi-annual report to the Board on the operation of the Center. This first report is an annual report for Fiscal Year 1988 and includes operation of the center by Ogden-Allied from February 1 to June 30, 1988.

The report states that the transition from university management to Ogden-Allied management has been completed. There has been a net reduction of six employees from a contingent of thirty-nine employees at the Center.

Programming is identified as having increased with associated attendance and income increases.

The report does not identify for the Board the impact of the Ogden-Allied management.

Vice President Madden stated that when the Board approved the transfer of the operation and the management of Iowa State Center to Ogden-Allied, it asked for periodic reports. This is the first report. The Board Office has suggested university officials try to improve the kind of information the Regents are to receive. University officials will work with the Board Office and Regent Tyler to develop reporting formats. He said they are generally pleased with the status at this point in time.

President Pomerantz said the Board appreciated Regent Tyler's efforts.

ACTION:

President Pomerantz stated that the Board, by general consent, (1) received the university's report on the operation of the Iowa State Center for the period July 1, 1987, to June 30, 1988, and (2) requested the university and Board Office to develop in consultation with Regent Tyler a new format for providing the Board its semi-annual report on the operation of the Center.

SALE OF CAPITAL APPRECIATION BONDS. The Board Office recommended the Board (1) approve the bond purchase agreement and resolution for the sale of \$10 million in capital appreciation bonds, (2) approve a resolution authorizing the Executive Secretary to initiate preparation of documents and authorize final pricing in anticipation of the Board's potential issuance of capital appreciation bonds at the November Board meeting, and (3) approve Edward D. Jones as managing underwriter for up to \$9 million in capital appreciation bonds to be sold in November to benefit the University of Iowa under the same general terms and conditions of the original Request for Proposal.

At the Board's September meeting, a resolution was approved authorizing the Executive Secretary to initiate the preparation of documents and authorize final pricing in anticipation of the Board's issuance of capital appreciation bonds at this meeting. Since that time bond documents have been completed, final pricing has occurred, orders have been taken for the bonds and the official award and signing of the bond purchase agreement were scheduled for this meeting.

A substantial portion of the bonds have been sold and it appears the final pricing will result in a true interest cost to the Board below 6.6 percent. The goal of the Board to achieve the lowest rate possible was certainly achieved.

An ambitious marketing program was developed and carried out which included newspaper advertisements listing locations of available bonds, point of sale brochures including after tax yield tables, material for school distribution including options for saving for college and news releases encouraging positive editorial treatment.

Dain Bosworth, Inc. joined Edward D. Jones as co-managing underwriters. The list of selling group members grew to 26. Some members of the selling group initiated their own public information campaigns. Based upon the success of this bond sale, it was recommended that the Board and the Banking Committee give consideration to a second offering in November. The balance of the authorization for capital appreciation bonds is \$9 million to benefit the University of Iowa. The October sale of \$10 million is benefitting Iowa State University.

Finally, because of the success of this bond sale, it was recommended that the Banking Committee recommend Board approval of a resolution authorizing the Executive Secretary to initiate the preparation of documents and authorize final pricing in anticipation of the Board's potential issuance of capital appreciation bonds at the November Board meeting.

Director Eisenhower stated that from the Board's perspective as well as the legislature's she thought they had met their expectations. The Board achieved the lowest possible interest rate it could hope for -- lower even than the proposals. The bonds are getting to the first-time investors. The following day the Banking Committee will discuss whether to go ahead with the second sale.

Mr. Anderson said that as Director Eisenhower indicated this has been a very successful bond sale. It started about a year ago with discussion of zero-coupon bonds and the restructuring of some of the future debt services. These capital appreciation bonds are designated as college savings bonds. In order to ensure the lowest cost they used a somewhat unusual process. The bid respondents were asked to indicate the kind of interest rates and the fees with the understanding that they would be held to those interest rates.

On that basis the firm selected was Edward D. Jones. Last month the Board authorized that they go ahead with this process. The interest rates which have been offered are at 5.4 percent to 6.8 percent. From the standpoint of cost to the Board and universities Mr. Anderson said this is an extremely attractive undertaking. He recommended that the Board now approve the bond sale.

Regent Tyler asked what percentage of the bonds have been ordered. Mr. Anderson responded that just over \$7 million of the \$10 million of the bonds have been ordered.

President Pomerantz asked what the total cost of the bonds, principle and interest, are when they are redeemed. Mr. Anderson responded that it is \$23,388,465.

President Pomerantz stated that while this may fit into a total program of funding in every sense of being prudent they should remember this is not free. It is very expensive funding since the total cost is \$13 million more than the amount financed over a course of 20 years.

MOTION:

Regent VanGilst moved to (1) approve the bond purchase agreement and resolution for the sale of \$10 million in capital appreciation bonds, (2) approve a resolution authorizing the Executive Secretary to initiate preparation of documents and authorize final pricing in anticipation of the Board's potential issuance of capital appreciation bonds at the November Board meeting, and (3) approve Edward D. Jones as managing underwriter for up to \$9 million in capital appreciation bonds to be sold in November to benefit the University of Iowa under the same general terms and conditions of the original Request for Proposal.

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

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

NAY: None.

ABSENT: Duchon.

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 19 and Thursday, October 20, 1988.

REGISTER OF PERSONNEL CHANGES. The Board Office recommended the Board approve the Register for the month of September 1988.

ACTION: President Pomerantz stated the Register was approved as a consent item.

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

1. The appointment of DONALD W. GRAY as Associate Professor and Acting Director of Library Services, effective October 1, 1988, and serving at the pleasure of the university president at an annual salary of \$56,000, (Mr. Gray currently is Associate Professor and Assistant Director of Library Services);
2. The change in status of TONY N. MC ADAMS from Professor and Head of Department of Management to Professor, Department of Management, effective at the conclusion of the summer session, 1989; and
3. The resignation of BARBARA M. JONES as Director of Library Services, effective September 23, 1988.

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

ANNUAL REPORT OF RESIGNATIONS. This was handled as a general docket item.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS WITH SEMI-ANNUAL REPORT ON STATUS OF CAPITAL PROJECTS. The Board Office recommended the Board approve the University of Northern Iowa capital register.

ARCHITECT/ENGINEER AGREEMENTS

Electrical Distribution System Extensions: Classroom-Office Building, Maucker Union Phase II Addition, and Latham Hall Renovation Projects

\$6,000

Sega, Inc., Stanley, Kansas/West Des Moines, Iowa

Approval was given by the Board at its September 1986 meeting to select Sega, Inc., as the engineering consultant to conduct a study of the university's utility generation and distribution system. This study was to incorporate requirements for planned expansion to maintain efficient, economical and reliable steam and electrical production and distribution systems for future years.

The university requested Board approval for the firm of Sega, Inc., to provide consultant services to review proposed extensions of the electrical distribution system for Latham Hall Renovation, Maucker Union Phase II Addition, and the Classroom-Office Building projects. Sega's familiarity with existing facilities and future plans will expedite the distribution extension work and maintain the construction schedules of the three building projects. The consultant fee of \$6,000 will be funded from existing project budgets.

CONSTRUCTION CONTRACTS

<u>Latham Hall Renovation</u>	<u>\$2,254,300</u>
Award to: Cardinal Construction Company, Waterloo, Iowa (4 bids received)	

CHANGE ORDERS TO CONSTRUCTION CONTRACTS

<u>Power Plant Replacement, Power Plant No. 2, Phase I, Boiler No. 4, Contract 201, Fluidized-Bed Boiler</u>	Increase <u>\$64,000</u>
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This change order was approved by the Executive Secretary on October 5, 1988. The increase is for escalation charges to extend the bid validity to July 24, 1988.

At the June 1988 meeting the Board authorized the Executive Secretary to act on behalf of the Board in awarding a contract to the low bidder, Pyropower Corporation, for \$6,151,000 or \$6,215,000. Both were subject to certification by the Governor of adequate state appropriations by June 30, 1988 or July 24, 1988, respectively.

Regent Tyler requested further clarification on the power plant replacement construction contract increase.

Mr. Richey responded that the \$64,000 increase was for escalation charges to extend the bid validity until the Governor's certification of adequate appropriations was made July 24, 1988.

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

LEASE OF PROPERTY - MCCARTER WAREHOUSE. The Board Office recommended that the Board approve a lease with JOHN MC CARTER for the use of 5,400 square feet of warehouse space in the McCarter Warehouse at 308 Roosevelt Street, Cedar Falls, for the period November 1, 1988 to June 30, 1990, at an annual rent of \$7,290.

The university currently rents 4,000 square feet of space in this warehouse for storage of materials, furniture, and equipment. The warehouse space was initially approved by the Board at its November 1987 meeting to provide storage space for items stored at Power Plant #1 which was razed. The university has need to continue the storage of the items and has need to expand its storage capability.

The rate of \$1.35 per square foot per year for the leased warehouse space is considered reasonable by the university. It represents no increase in the rate over the current lease.

MOTION:

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

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

NAY: None.

ABSENT: Duchon.

BUDGET CEILING INCREASE, 1988-89. The Board Office recommended the Board approve a general educational fund increase of \$491,700 for the 1988-89 budget.

The University of Northern Iowa currently projects a fiscal year 1989 increase in general university income of \$491,700. The university reported that \$450,000 of the increased income is due to a higher than anticipated student enrollment during the 1988 summer and fall semesters. The university anticipates expending the additional income received during fiscal year 1989 on instructional expenses and additional health insurance cost increases.

The other \$41,700 is for state audit costs. An appropriation transfer request from the fiscal year 1989 tuition reimbursement balance has been submitted to the Department of Management by the Board Office. The university will not expend these funds until the transfer is approved.

MOTION:

Regent Tyler moved to approve a general educational fund increase of \$491,700 for the 1988-89 budget. Regent Williams seconded the motion, and it carried unanimously.

TUITION RATES AND MISCELLANEOUS FEES FOR 1989-90. The Board Office recommended the Board defer action on the University of Northern Iowa's part-time tuition, extension and correspondence course, workshop and other tuition-related miscellaneous fees until the November Board meeting and approve all other miscellaneous fees, effective June 1, 1989.

In order to ensure consistency between miscellaneous part-time tuition rate increases and full-time student tuition rate increases, deferral of action on the former until November was recommended.

The university reported no new fees for 1989-90.

Miscellaneous fee increases other than those that are tuition related, that is diploma replacement and orientation services, are associated with covering costs incurred.

MOTION:

Regent Williams moved to defer action on the University of Northern Iowa's part-time tuition, extension and correspondence course, workshop and other tuition-related miscellaneous fees until the November Board meeting and approve all other miscellaneous fees, effective June 1, 1989. Regent Harris 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.

President Curris said he looked forward to having the Regents on campus November 16-17, 1988.

IOWA SCHOOL FOR THE DEAF

The following business pertaining to Iowa School for the Deaf was transacted on Wednesday, October 19, and Thursday, October 20, 1988.

RATIFICATION OF ACTIONS REPORTED IN THE REGISTER OF PERSONNEL CHANGES FOR THE MONTH OF SEPTEMBER 1988. The Board Office noted that the Register was not received in the Board Office for review.

APPROVAL OF NEW POSITION. The Board Office recommended that the Board approve two new positions for the school to the special school's professional-scientific classification system, as follows:

- (a) RESIDENTIAL COUNSELOR in pay grade 3 (\$21,037-\$28,774); and
- (b) SOCIAL WORKER in pay grade 4 (\$23,280-\$32,969).

Two new positions were requested for the school's professional-scientific classification system, a RESIDENTIAL COUNSELOR and a SOCIAL WORKER.

The RESIDENTIAL COUNSELOR will design, develop, and implement programs to promote the social, physical, and intellectual development of students at times they are not in the classroom.

The SOCIAL WORKER will provide highly skilled and responsible casework diagnosis and treatment for individual students and groups involving staff, students, families and relatives.

The positions were evaluated by the point-count evaluation system for pay-grade assignment.

MOTION:

Regent VanEkeren moved to approve two new positions for the school to the special school's professional-scientific classification system, as presented. Regent Williams seconded the motion, and it carried unanimously.

Superintendent Johnson stated that he would be looking for someone with an MSW and some sign language skills.

REPORT ON GRANTS. The Board Office recommended the Board receive the report on grant activities at the Iowa School for the Deaf.

A grant for \$5,000 for staff development has been provided to Iowa School for the Deaf by the Iowa Department of Education.

Iowa School for the Deaf in cooperation with Iowa Western Community College and the University of Iowa proposed a grant to the U. S. Department of Education to provide adult deaf with diagnostic and evaluative services.

Superintendent Johnson stated that last year Iowa School for the Deaf officials had also requested approval to seek a \$5,000 grant from the Department of Education in the area of working with deaf/blind persons. The second grant is a transition grant from the federal government in the field of deafness. No other state school in the area is interested in seeking this grant.

ACTION: President Pomerantz stated the Board received the report on grant activities at the Iowa School for the Deaf by general consent.

ANNUAL REPORT OF RESIGNATIONS. This was handled as a general docket item.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS FOR THE PERIOD AUGUST 31 - SEPTEMBER 30, 1988. The Board Office recommended the Board approve the school's capital register.

The school requested Board approval of the following changes to construction projects.

Superintendent's Residence \$2,500

In June 1988 the Board approved construction of a 144 square foot addition to the Superintendent's Residence (\$14,400). This addition is an expansion of the kitchen. The architect's estimate did not include electrical and floor covering materials for the addition. Installation is to be done by the physical plant staff of the school. The cost is estimated at \$2,500.

Assistant Superintendent's Residence \$4,000

In June 1988 the Board approved construction of a master bedroom and bathroom addition to the Assistant Superintendent's Residence (basic foundation and structural work in the amount of \$10,000). The architect's estimate did not include the materials needed by school personnel to finish the project. An additional \$4,000 was estimated for insulation, to finish walls, electrical work, fixtures, and floor covering to be done by the physical plant staff of the school.

Director of Facilities' Residence \$2,000

The school requested permission to replace the roof on the Director of Facilities' Residence. The roof has several leaks and needs repair before further building damage occurs and winter sets in.

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Wednesday, October 19, and Thursday, October 20, 1988.

RATIFICATION OF ACTIONS REPORTED IN THE REGISTER OF PERSONNEL CHANGES FOR AUGUST 21 TO SEPTEMBER 17, 1988. The Board Office recommended the Board approve the Register.

ACTION: President Pomerantz stated the Board approved the Register for August 21 to September 17, 1988, as a consent item.

FACULTY RESIGNATIONS. This was handled as a general docket item.

APPOINTMENT OF DIRECTOR OF OUTREACH SERVICES. The Board Office recommended that the Board approve the appointment of IAN STEWART as Director of Outreach Services, effective January 3, 1989, and serving at the pleasure of the superintendent, at an annual salary of \$33,500.

MOTION: Regent VanGilst moved to approve the appointment of IAN STEWART as Director of Outreach Services, effective January 3, 1989, and serving at the pleasure of the superintendent, at an annual salary of \$33,500. Regent Greig seconded the motion, and it carried unanimously.

REVIEW OF IBSS MEDICAL SERVICES BY THE UNIVERSITY OF IOWA HOSPITALS AND CLINICS. The Board Office recommended that the Board (1) receive the report of Drs. Alfred Healy and Frances Hoffman reviewing the medical services of the school and (2) approve the school's responses to the recommendations made in the review.

Drs. Healy and Hoffman of the University of Iowa Hospitals and Clinics reviewed the medical services provided to students at the school as requested by the Board through the executive secretary.

The reviewers found the medical services provided to be sufficient and the reviewers were "favorably impressed" by the medical care systems at the school.

The reviewers made seven recommendations for the medical services program. The superintendent accepted all seven of the recommendations and in the case of several of them, he has already completed the recommended action.

IOWA BRAILLE AND SIGHT SAVING SCHOOL
October 19-20, 1988

Superintendent Thurman referred to recommendation 4. "to provide a mechanism for following up with parents when specialized services seem indicated for students" and said the school's position is that in the case of emergency the school will always provide follow up. He said they have to be careful not to take on the total parental responsibility.

ACTION: President Pomerantz stated the Board (1) received the report of Drs. Alfred Healy and Frances Hoffman reviewing the medical services of the school and (2) approved the school's responses to the recommendations made in the review by general consent.

REGISTER OF CAPITAL IMPROVEMENTS BUSINESS TRANSACTIONS. The Board Office reported there were no capital improvement transactions this month.

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

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 11:49 a.m., on Thursday, October 20, 1988.



R. Wayne Richey
Executive Secretary