

The State Board of Regents met on Wednesday, October 21, 1987, at Iowa State University. The following were in attendance:

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Members of State Board of Regents

Mr. Pomerantz, President	All sessions
Mr. Duchon	Excused at 9:30 a.m.
Mr. Fitzgibbon	All sessions
Mr. Greig	Excused
Dr. Harris	All sessions
Mr. Tyler	All sessions
Miss VanEkeren	All sessions
Mr. VanGilst	Excused at 3:20 p.m.
Mrs. Williams	All sessions

Office of the State Board of Regents

Executive Secretary Richey	All sessions
Director Barak	All sessions
Director True	All sessions
Director Wright	All sessions
Associate Director Runner	All sessions
Associate Director Stanley	All sessions
Assistant Director Peters	All sessions
Minutes Secretary Briggie	All sessions

State University of Iowa

President Remington	Excused at 3:20 p.m.
Vice President Hubbard	Excused at 3:20 p.m.
Vice President Moll	Excused at 3:20 p.m.
Vice President Phillips	Excused at 3:20 p.m.
Associate Vice President Small	Excused at 3:20 p.m.
Assistant to President Mears	Excused at 3:20 p.m.
Director Cooper	Excused at 3:20 p.m.

Iowa State University

President Eaton	All sessions
Executive Vice President McCandless	All sessions
Vice President Madden	All sessions
Vice President Moore	All sessions
Assistant to President Crawford	All sessions
Director Lendt	All sessions

University of Northern Iowa

President Curris	Excused at 3:25 p.m.
Provost Martin	Excused at 3:25 p.m.
Vice President Conner	Excused at 3:25 p.m.
Vice President Follon	Excused at 3:25 p.m.
Exec. Ass't. to President Stinchfield	Excused at 3:25 p.m.
Director Chilcott	Excused at 3:25 p.m.

Iowa School for the Deaf

Superintendent Johnson	Excused at 3:30 p.m.
Business Manager Kuehnhold	Excused at 3:30 p.m.

Iowa Braille and Sight Saving School

Superintendent Thurman	Excused at 3:40 p.m.
Business Manager Berry	Excused at 3:40 p.m.

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The following business pertaining to general or miscellaneous business was transacted on Wednesday, October 21, 1987.

President Eaton welcomed the Regents, Board Office staff, institutional staff, students and visitors to Iowa State University. He said the Regents were meeting at the College of Design Building in order to provide the largest possible room to accommodate those who wished to attend the Board of Regents meeting.

**APPROVAL OF MINUTES OF BOARD MEETING, SEPTEMBER 16-17, 1987.**

President Pomerantz asked for corrections to the Minutes.

**ACTION:** President Pomerantz declared the Minutes 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.

**TUITION POLICIES, 1988-89.** The Board Office recommended that (1) The Board adopt the tuition rates shown below to be effective with the 1988 summer session.

**CURRENT AND RECOMMENDED TUITION RATES FOR REGENT UNIVERSITIES**

	<u>RESIDENT</u>		<u>NONRESIDENT</u>	
	Current 1987	Proposed 1988	Current 1987	Proposed 1988
University of Iowa				
Undergraduate	\$1,564	\$1,706	\$4,900	\$5,488
Graduate	\$1,852	\$2,020	\$5,106	\$5,720
Law	\$2,014	\$2,200	\$6,060	\$6,790
Dentistry	\$3,550	\$3,870	\$9,448	\$10,582
Medicine	\$4,932	\$5,376	\$12,088	\$13,540
Pharmacy	\$2,014	\$2,196	\$6,060	\$6,790

	<u>RESIDENT</u>		<u>NONRESIDENT</u>	
	Current 1987	Proposed 1988	Current 1987	Proposed 1988
Iowa State University				
Undergraduate	\$1,564	\$1,706	\$4,900	\$5,488
Graduate	\$1,852	\$2,020	\$5,106	\$5,720
Veterinary Medicine	\$3,550	\$3,870	\$9,078	\$10,168
University of Northern Iowa				
Undergraduate	\$1,548	\$1,690	\$3,880	\$4,346
Graduate	\$1,720	\$1,876	\$4,276	\$4,790

(2) An appropriate student aid setaside be provided to maintain access to the institutions for needy students.

Tuition increases of approximately 9 percent for resident students and 12 percent for nonresident students were recommended by the Board Office. This would result in a per semester increase of \$71.00 for undergraduate resident students and \$294 for nonresident students. A portion (\$1.9 million) of the increase would be used for a student aid setaside to maintain access to the institutions for needy students. It was recommended that general fund student aid be increased at least as much as the percentage increase in tuition. The quality of educational services provided by the three universities was the single most important factor in determining the level of tuition recommended by the Board Office.

The Board Office recommended all of the net tuition revenue increase be used for support of student financial aid and for the second year of the Vitality and Excellence Fund for faculty salaries. Board Office staff stated it was essential if the Phase 2 goal for faculty salaries is to be reached as approved by the Board last year. Funds to elevate faculty salaries would be provided from state appropriations, internal university reallocations, and increased tuition income.

The net increase to the general funds of the institutions is \$12.1 million after adjustments for higher student aid.

The tuition rate recommendations were based on the Board's "Principles and Guidelines for Establishing Tuition Rates at the Regent Universities," which were established in 1974.

President Pomerantz stated he would recognize each university student body after allowing the individual university presidents an opportunity to address the proposed tuition policy. He asked that comments be limited to five minutes per participant. President Pomerantz reminded everyone that the Board held extensive dialogue on this subject at last month's meeting. He

said the Board had received those comments and considered the arguments and concerns during the last month.

President Pomerantz recognized President Remington.

President Remington thanked President Pomerantz for the opportunity to address the proposed tuition increase. He said he had made his comments at the last Board of Regents meeting and wished to relinquish his five minutes to Mike Reck, President of the Collegiate Associations Council.

Mr. Reck thanked President Remington for the extra five minutes in which to address the Board. He said he appreciated the Board's willingness to listen to students' concerns at last month's meeting, and in meetings held between students and Regents in the ensuing month.

Mr. Reck stated quality of education was a dear issue to everyone. He said if it weren't for the quality of the education he had received many doors of opportunity would be closed to him. He cautioned, however, that when developing the trade off a concern arises about accessibility. He said that for the past 10 years the burden of financing quality education had shifted away from state funding to tuition revenues. Many students are faced with more difficulty paying for their education.

Mr. Reck said it was his understanding that the Board may entertain a motion to lessen the proposed tuition increase. He said students don't want to see any increase but understand the Board's position. He said there was a question of whether a \$30 - \$50 decrease in the proposed tuition increase is a significant amount and said the answer is yes. Mr. Reck quoted Regent Harris' statement of last year that \$50 isn't much unless you don't have it.

Mr. Reck said that from the students' perspective they have seen year after year that they are expected to finance faculty salary increases which was demoralizing to the student body. Mr. Reck stated that if the Board were to approve a reduced tuition increase it would send a message to students that the Board will not continue asking them to shoulder the burden. He said it would also send a message to the legislature that they cannot continue to pull money out of students' pockets. He said it was time the state realized that.

Mr. Reck thanked the Board members for their time and said he looked forward to the decision.

President Pomerantz recognized President Eaton.

President Eaton stated he expressed his opinion regarding the tuition policies at last month's meeting and would yield the floor to two representatives from Iowa State University, Julianne Marley, President of the

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Iowa State University Government of the Student Body, and Bret Dublinske, chair of the board of directors of United Students of Iowa.

Mr. Dublinske thanked the Board for the opportunity to address tuition policies. He said that last year he spoke before the Board regarding tuition, also, and left the meeting with 12 percent and 20 percent tuition increases. At that time, he said, students were told money was needed to increase faculty salaries. He said concern was expressed that the large tuition increases would keep qualified students out of the schools. The students were assured that the universities and the Board join with the students to lobby for more funds. He said the state is not coming through with those additional funds.

Mr. Dublinske said enrollments at Iowa State University are dropping. He referred to the information provided at last month's Board meeting in response to a request by Regent Harris and said that information showed that the drop in enrollments was directly attributable to higher tuition. Mr. Dublinske was concerned that the Board was trading off quality of education for student accessibility which he said was contrary to the philosophy of public education. He reminded the Board that quality is lost on the people who cannot afford to attend the Regent universities. Mr. Dublinske said it is imperative that the state bear the cost for faculty salaries. He said they must send the message that the state can no longer make students pay for salaries and that the state must also help the universities in increasing minority student enrollment.

Mr. Dublinske encouraged Board members to vote against the tuition increase.

Ms. Marley said 250 students congregated outside the College of Design Building at 7:30 that morning in protest of the proposed tuition increase. She said students have done their share toward contributing to faculty salaries with the 12 percent and 20 percent tuition increases last year. She said that by allowing those tuition increases the legislature seemed to think they were relieved of their responsibility to pay faculty salaries. Ms. Marley asked where was the "state" in Iowa State University? She said the proposed tuition increase placed more burden for the cost of faculty salaries on the students.

Ms. Marley said that in comparison to other institutions, whether the comparison was with surrounding states, land grant institutions, Big 10 institutions or Big 8 institutions, Iowa State University's tuition may be \$50 - \$100 less but the proportion of state contribution was quite different. She said the people of Iowa must demand the state keep its commitment to public institutions. Ms. Marley said the Board of Regents has responsibility for maintaining public higher education in the state. She said the students can bring in their own statistics and offer interpretations of the information provided by the Board Office, but we must remember that it involves real people. She said it involves 67 fewer minority students at

Iowa State University than last year. She said that in the same year the Board says it wants to raise minority enrollments it is also proposing to increase tuition. Ms. Marley said that most of the minority students come from out of state and the out-of-state tuition was proposed to increase 12 percent. She urged the Board to oppose an increase on that basis.

President Pomerantz recognized President Curris.

President Curris stated this is a very significant policy issue. He said many opinions were expressed at the last Board of Regents meeting. His concerns dealt with the public policy issue. He said tuition levels had increased dramatically and were 15 percent above the national average for public colleges.

President Curris stated it is important that students receive a quality education. He said that in the last 7 years tuition at the University of Northern Iowa has doubled while the average income in the state runs 10 percent below the national average. He asked that the Board not ask students to bear unduly the cost of faculty salaries.

President Curris introduced Michelle Wubben, President of the University of Northern Iowa Student Association.

Ms. Wubben stated that last month the Board listened to the students and the Board Office discuss the proposed tuition increase. She said the students were opposed for a variety of reasons. Two university presidents endorsed the increase and indicated they did not have confidence in the legislature to provide for faculty salary increases. She said President Curris indicated his opposition to the tuition increase.

Ms. Wubben stated the issue is faculty salary increases versus affordable higher education. She said higher faculty salaries are not a guarantee of quality education. Ms. Wubben stated there had been a 100% increase in tuition at the University of Northern Iowa in the last seven years. Therefore, she said the proposed tuition increase was a guarantee of more hardships on students and of fewer enrollments.

President Pomerantz stated that those in attendance represented a variety of backgrounds and viewpoints, but despite the differences everyone shared an overriding concern -- the well-being of Iowa's Regent institutions. They would have to accommodate their differences and make a very tough decision. He said the decision whether or not to raise tuition is tough because we have run out of easy options for financing our state universities. That had become increasingly clear as the proposed tuition increase was being discussed.

President Pomerantz said the Board did not have an ideal solution. If they raise tuition as recommended the Board will create a difficult situation for

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a certain percentage of students. Some of them will face intensified financial hardship while others will not be able to enroll in college at all. He said the number of students who would be severely affected can only be estimated but regardless how low that figure may be, it is too high. He said that if, on the other hand, the Board chooses not to raise tuition it will have to forego the double digit faculty salary increases that will, after a long delay, bring Iowa into a competitive position with other states. By doing so the state will be opting for a mediocre system of higher education because we will not be able to attract and retain the best faculty available.

The national average tuition was computed at \$1,592 for residential students at doctoral-granting state institutions during the past year. In the same year resident students at the University of Iowa and Iowa State University paid \$1,390, and \$1,324 at the University of Northern Iowa. President Pomerantz said that at the same time faculty salaries remain at unsatisfactory levels, students continue to pay tuition below the national average. He added that tuition at the University of Iowa is the lowest tuition in the Big Ten. Therefore, when the Board of Regents discusses raising tuition they are not talking about increasing it to unreasonable levels. President Pomerantz said that in the best of all possible worlds, our students would pay no tuition, but that is not the world in which we are operating.

President Pomerantz stated the decision to raise tuition is inevitable. He said if the Board did not take that step it would have made the more politically expedient, popular decision. However, next year they would be having this same discussion and, by delaying, would be asking future students to subsidize today's students.

President Pomerantz continued by saying the Board cannot count on funds coming from any other source. Governor Branstad has committed his support for \$27 million in additional funds, and much of that money will go toward raising faculty salaries but salaries must be raised by at least 13 percent to be competitive. He said the proposed tuition increase would accommodate a 10 percent salary increase.

Figures released by the Census Bureau rank Iowa in 8th place nationally in state expenditures per capita for higher education during 1984-85, the most recent year for which these figures are available. President Pomerantz reminded everyone that Iowa is not a rich state in terms of tax capacity and that the state is looking at a possible \$152 million deficit for next year.

President Pomerantz said the Board's job is to sustain the increased state funds to which the Governor has committed his support, and to take steps to increase that support with the legislature in the future. In the past the differences among the parties involved have produced some productive discussions and effective compromises. He said they have now reached a point

where they are going to have to stand together on a very difficult issue. He reminded everyone that the choices were ultimately between educational mediocrity and educational quality. He said Iowans have a long-standing commitment to quality education, and a responsibility to maintain that quality.

President Pomerantz recognized Regent Tyler.

MOTION: Regent Tyler moved (1) to adopt the tuition rates as proposed by the Board Office to be effective with the 1988 summer session and (2) that an appropriate student aid setaside be provided to maintain access to the institutions for needy students. Regent Williams seconded the motion.

President Pomerantz recognized Regent Harris.

Regent Harris stated he said most of what he cared to say at the Board of Regents meeting last month. He referred to President Pomerantz' remark that in the ideal situation there would be no tuition at all and said that he agreed and wished it were possible. He said that every time the Board raises tuition it places another obstacle in the paths of those who would like to attend a Regent university. Regent Harris stated he shares the same concerns of others who spoke of the need for funds; however, he said his philosophical difference was what the source of those funds should be. He believed it was the responsibility of the legislature rather than raising the funds by increasing tuition. He did not believe that increasing tuition was the way to pay for faculty salary increases.

Regent Harris concluded by saying he was opposed to the tuition increase. He said he respects the opinions of the presidents who feel otherwise and said that it bothered him to vote against the Board Office recommendation, but he believed it was a matter of what the state should do. He said he was not convinced that the Board had worked as hard with the legislature as it could to provide a larger proportion of funding for the universities.

President Pomerantz recognized Regent Williams.

Regent Williams said that in looking through the report of faculty resignations for the past year it pointed out what the university presidents had been saying -- that we are, in fact, not competitive in recruiting or retaining faculty. She said that at the same time she also considered the effect of the tuition increase on recruitment of minorities. Regent Williams said she feels very strongly that the universities can do a much better job in that area.

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Regent Williams said that in making her decision to support the tuition increase she was making it known that she had high expectations of the universities and their commitment to minority recruitment. She said the Regents must show the legislature that they are committed to student access and educational quality, and that they are working to do all they must to provide funds from all sources, including reallocation of dollars at the university level.

Regent Williams stressed that the Regents must solicit funds from all available resources because only then will the legislature decide they have an obligation, too. She said the Regents and the legislature are in this together. If the Regents don't do their part they can't expect the legislature to, either.

Regent Williams said that for the sake of the quality of our institutions we must maintain our commitment to faculty salary increases. For the reasons she mentioned Regent Williams said she supported the tuition increase.

Regent VanGilst stated that every year since he has been on the Board of Regents he has voted to raise tuition. He now has come to the conclusion that it has to stop. He said that in essence the Board has told the university administration they need not inform individual legislators of their needs, and that the Regents would let the students pay.

Regent VanGilst said that today he would vote no, for the following reason. Two or three years ago he tried to get the universities involved through their alumni or other means to contact all legislators and legislative candidates to impress upon them the needs of the universities. He said only one university has made a feeble effort. Many legislators have told him they have never been contacted by university personnel living within their district. He said it didn't used to be that way.

Regent VanGilst said we are told there is no money anyway. He stated that overall last year \$90 million was appropriated to raise K-12 teachers' salaries. The area schools also had good increases. But we at the universities only received the crumbs.

Regent VanGilst said we hear a lot of talk that the Regent universities welcome minority students but then we turn around and price them out of the market by raising tuition. He asked if this was not being inconsistent.

Regent VanGilst said he could not, in good conscience, vote for the 9 percent and 12 percent tuition increase. He didn't see any change in direction unless we dare to say "no".

Regent VanEkeren told the students that she was going through the same thing they were. She said that whatever their level of respect or disrespect for



1. There was an increase of 17 percent in the number of new freshmen enrolling in the Regent universities in Fall 1980 compared to the number who enrolled in Fall 1975. There was a decrease of 2 percent in the number of new transfer students enrolling in the Regent universities in Fall 1980 compared to the number who enrolled in Fall 1975.
2. Of the freshmen who entered directly from high school in Fall 1980, the percent who earned degrees by the end of the 1986 Summer session at the entering university was 48 percent for the University of Northern Iowa, 62 percent for Iowa State University, and 55 percent for the University of Iowa. Of the transfer students who entered during Fall 1980, the percent who earned degrees at the entering university was 58 percent for the University of Northern Iowa, 62 percent for Iowa State University, and 57 percent for the University of Iowa.
3. Students who received degrees from the entering university or one of the other Regent universities or who were enrolled Spring or Summer 1981 were included in total persistence figures for the three universities. For freshmen, total persistence figures were 53 percent at the University of Northern Iowa, 67 percent at Iowa State University, and 61 percent at the University of Iowa. For transfers, total persistence figures were 62 percent at the University of Northern Iowa, 67 percent at Iowa State University, and 62 percent at the University of Iowa.
4. Using a broad definition of academic success to include students who graduated from one of the Regent universities, those who had a grade-point average of 2.00 or above when they left the university, and those still enrolled Spring or Summer 1986, a total of 79 percent of entering freshmen at the University of Northern Iowa were successful, 81 percent at Iowa State University were successful, and 84 percent at the University of Iowa were successful.
5. A comparison of the mean grade-point average earned by graduates from the Fall 1975 entering freshman class and the Fall 1980 entering class shows little change.
6. The percentage of entering freshman students who were suspended for scholastic reasons at the University of Northern Iowa, Iowa State University, and the University of Iowa were 8 percent, 14 percent and 4 percent, respectively. The percentage of transfer students suspended at the University of Northern Iowa, Iowa State University and the University of Iowa were 8 percent, 14 percent and 5 percent, respectively.
7. The percentage of transfer students from Iowa public two-year institutions who earned degrees was 60 percent at the University of Northern Iowa, 62 percent at Iowa State University, and 52 percent at the University of Iowa. This compares to graduation rates for all transfer students of 58

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percent at the University of Northern Iowa, 62 percent at Iowa State University, and 57 percent at the University of Iowa.

The report on persistence of minority students indicated that Asian/Pacific Islanders at all three universities and Hispanics at the University of Northern Iowa and Iowa State University have persistence rates that are higher than the rates for all new freshmen. Persistence rates for freshman Blacks and American Indians are far below those of other minority groups and all new freshmen.

Dr. Barak introduced John Sjoblom, Iowa State University Registrar.

Mr. Sjoblom stated there were several differences in this year's persistence report from those of previous years: 1) the report included a survey of graduates where in the past it only included the non-persisters, 2) the report looked for the first time at grade point average, and 3) the report follows students from the Fall term only, rather than the entire year. Mr. Sjoblom added that they found, when looking at the Fall term entering students, only a 2-3 percent increase in persistence was found on that basis.

Regent Harris referred to the finding that degree completion rates at public institutions are substantially lower than those at all types of private institutions, and asked for a cost factor on that. Mr. Sjoblom said that was difficult to answer since the national factor enters into it. Director Barak stated some institutions have open admissions whereby any student graduating from high school is granted college admission, which creates a high attrition rate.

Mr. Sjoblom added that this was the first time the interinstitutional committee had carried out a persistence study of minority students.

**ACTION:**

President Pomerantz stated the Board, by general consent, received the report on Persistence at the Regent Universities: A Study of the Fall 1980 Entering Class of Undergraduate Students Who Enrolled at the University of Iowa, Iowa State University, and the University of Northern Iowa.

(B) Report from Registrar's and Admissions Coordination Committee on Residency Requirements. The Board Office recommended the Board approve the proposed revision in the Board of Regents residency rules as presented by the Regents Registrars and Admissions Officers Committee on Coordination with two exceptions: (1) Add the word "tuition" to the title and to Section IA and elsewhere as appropriate and (2) make necessary nonsubstantive changes to the rules in order to put them into the appropriate administrative rules format.

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The major changes from the current rules to the proposed rules are the following:

1. The format of the rules has been completely revised to simplify and clarify the rules. The new rules contain only three sections, "General", "Guidelines", and "Facts", rather than the previous four sections.
2. The new rules state more clearly the basis upon which the Regents residency policy rests (i.e., why a student is in Iowa, i.e. for educational or noneducational purposes.)
3. Section III.E of the current rules, which pertains to enrolling for no more than eight credits per term while acquiring residency has been changed. Half-time enrollment is now used and defined as no more than six credits for an undergraduate or professional student and no more than five credits for a graduate student in an academic year.
4. In Section II.F of the current rules, which deals with refugees, the 100 day and the Iowa sponsor requirements have been deleted.

The Board Office believed these revisions made a substantial improvement to the Board of Regents residency requirements.

The Board Office commended the Registrars and Admissions Officers Committee on Coordination for their thorough review and development of rules that are considerably more readable and more clear than the current rules. This should lead to a better understanding of the rules on the part of the public.

MOTION:

Regent Harris moved to approve the proposed revision in the Board of Regents residency rules as presented by the Regents Registrars and Admissions Officers Committee on Coordination with two exceptions: (1) Add the word "tuition" to the title and to Section IA and elsewhere as appropriate and (2) make necessary nonsubstantive changes to the rules in order to put them into the appropriate administrative rules format. Regent Fitzgibbon seconded the motion.

Regent Williams asked if the revised residency rules would require a change in both the Procedural Guide and the Iowa Administrative Code. Director Barak responded that it would require a change in both. He said the Board Office will have to reword some of the language to adhere to the Administrative Rules format. He added that the Board would be presented with the final version once it is completed.

Mr. Richey stated that this was, in fact, a Notice of Intended Action to request a revision to the Administrative Rules. He said the Board Office will proceed with that process before final action is taken.

**VOTE ON THE MOTION:** The motion carried unanimously.

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

The Iowa Coordinating Council for Post-High School Education met at Graceland College in Lamoni on October 6, 1987, for its regular monthly meeting. The Coordinating Council approved its budget for 1987-88 and heard a report from James Ream, President of the Pennsylvania Association for Colleges and Universities, regarding the cooperative efforts of his association. Mr. Ream reported on a number of statewide cooperative efforts on the part of colleges and universities in Pennsylvania to promote higher education and to provide services to the schools and the citizens of the state. The Coordinating Council also appointed an audit committee to audit its books for the previous year.

Regent VanGilst stated the Coordinating Council, under the direction of President Remington, is working to become a stronger voluntary organization. He added that James Ream was interesting and informative, and said that he felt very encouraged after the meeting.

Regent Williams said there is a lot of very open discussion at these meetings. People are getting to know each other and are breaking down the barriers that formerly existed, which she felt was very good.

President Pomerantz encouraged all three university presidents to play as strong a role as possible in the Coordinating Council.

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

**POLICY ON SEXUAL HARASSMENT.** The Board Office recommended the Board approve a policy for inclusion in the Board of Regents Procedural Guide, as follows:

#### 4.37 Sexual Harassment Prohibited

It is the policy of the Board of Regents to provide a campus environment for students, faculty and staff that is free from sexual harassment; to provide appropriate institutional appeal processes to ensure thorough and prompt investigation of allegations of sexual

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harassment; and to apply appropriate disciplinary sanctions to those who engage in sexual harassment. This policy and institutional policies and procedures established to implement it, including rights of appeal, are to be communicated to students, faculty and staff. The institutions shall provide education and training as necessary to effectuate the policy of the Board.

The Regent universities have institutional policies and procedures addressing institutional prohibitions of sexual harassment. The special schools have less clearly defined policies and procedures. It appeared desirable that the Board establish a policy which states its determination that all institutions it governs be free from sexual harassment.

Mr. Richey said the Board Office had been working with university staff and the Board's counsel to develop a policy for consideration by the Board.

MOTION: Regent Fitzgibbon moved to approve a policy for inclusion in the Board of Regents Procedural Guide, as presented by the Board Office. Regent Duchen seconded the motion.

Regent Duchen asked if there was anything else in writing related to sexual harassment besides the paragraph that was to be included in the Procedural Guide. Mr. Richey responded that there are extensive written sexual harassment policies at the institutional level but not at the Board level.

Regent Duchen asked the institutions to briefly outline their sexual harassment policy efforts.

Associate Vice President Small stated the University of Iowa developed a task force of faculty, staff and student representatives that, over a period of two years, revised the university's sexual harassment policy. She believed the University of Iowa sexual harassment policy had become a model for other schools and said it had also been written up in the Chronicle of Higher Education. Associate Vice President Small said it is an especially important effort because the university involved so many people on the campus in the effort and addressed so many issues. The issues addressed included relations between students and faculty and a definition of what was appropriate and inappropriate behavior in that relationship. The University of Iowa was one of the first universities in the nation to have a policy on faculty/student relations.

Regent Fitzgibbon asked for a comparison of the Board policy and university policy. President Eaton said the policies are parallel.

Vice President McCandless said Iowa State University also has a policy on sexual harassment and last year held a seminar to inform those on the campus of that policy. He said the university has also put together, in billfold size, information on what sexual harassment is and how to report it.

Regent VanEkeren referred to the Board Office mention that the special schools have less clearly defined sexual harassment policies and asked if they will be further developing those. Mr. Richey said the Board Office will be working with the special schools to address that.

**VOTE ON THE MOTION:** The motion carried unanimously.

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

The Iowa College Aid Commission met on September 22 and October 13, 1987. The major topics on the agenda were budget policies for fiscal year 1989 and revisions to the State of Iowa Scholarship and Science and Mathematics Programs. The commission adopted a proposal to eliminate the grant program in science and mathematics, to expand the State of Iowa Scholarship Program, and to include a substantial amount of science, mathematics and foreign language units in the curriculum of the applicants for scholarships.

In reference to the Iowa College Aid Commission budget Regent Tyler asked what percentage of the Iowa Tuition Grant Program funds are for students in public institutions. Mr. Richey responded that all of the funds are for students in the independent institutions.

**ACTION:** President Pomerantz stated the Board received the report of meeting of Iowa College Aid Commission by general consent.

**ANNUAL ENROLLMENT REPORT - PART I.** The Board Office recommended the Board receive Part I of the Annual Enrollment Report on Regent institutions.

Highlights of the report are described below:

- \* Total headcount enrollment for the Fall 1987 term decreased 1.8 percent (from 67,512 to 66,271) at the three Regent universities. This is the first time since 1972 that all three universities have registered a decline in the same year.
- \* Full-time equivalent enrollments have decreased from 1 to 2.3 percent at the Regent universities in Fall 1987.
- \* According to the U.S. Department of Education enrollment nationally is expected to decline less than 1 percent from last year's total.
- \* Nonresident enrollment declines account for 17 percent of the total decrease in headcount at the University of Iowa, 54 percent at Iowa State University, and 38 percent at University of Northern Iowa.

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- \* Enrollment at the Iowa School for the Deaf has decreased by 15, while decreasing by 6 at Iowa Braille and Sight Saving School.

The U.S. Department of Education has predicted that nationally enrollment in institutions of higher education will decline this year by less than 1 percent.

Director Barak stated this was the first of two enrollment reports. This report concerns headcount and full-time enrollment. He said next month the Board Office will present a more complete report which will include an analysis of university enrollments by program, ten-year enrollment projections, enrollments by race and sex, enrollments of foreign students, and enrollments for all postsecondary education in Iowa.

Regent Harris asked if private colleges in Iowa were realizing enrollment increases from the areas in which they traditionally receive their students. He said he was trying to determine whether they were students of Iowa's Regent institutions.

Director Barak responded that because they are independent colleges data is not available as to the source of students. In discussing the matter with the independent colleges, he said they think part of the enrollment increase in the independent colleges has to do with Regent institutions' proposed admission requirements. Director Barak said another reason may be advertising because the private colleges have undertaken an elaborate recruiting effort.

Regent Duchen said it appeared to him that the recruiting effort had been going on for 3-5 years and included billboard advertisement. He said America lives by advertising and merchandising which might be one of the largest factors taking place in the private sector of higher education.

Regent Williams stated the Regent institutions have limited funds to do that kind of marketing although it is time people realized the resources the higher institutions of this state have. She said awareness could be increased not only through the media but by an awareness through the high schools. She feels it is time we got a little more aggressive since the Regents want to get the best students in the state.

Regent Fitzgibbon suggested the universities retain marketing personnel. He knew of one or two public institutions currently retaining professional marketing people.

President Pomerantz said he assumed the university presidents were listening.

Regent VanGilst said he has been all over the United States where they really market their universities. He said he was a little miffed when the Regent

universities complained of their enrollments being high and they were now talking about a need to market those same universities.

President Remington stated it was his understanding there is a rule on the books against advertising and suggested someone might wish to review that rule.

President Pomerantz said he realized the sensitive nature of the subject but suggested creative minds could work within the rules.

Regent Williams addressed the issue of accessibility and said it sometimes has to do with knowledge of what is available.

Regent Harris said that if it is in violation with the policy of the Board of Regents to recruit in order to increase minority enrollment, someone should take a look at it.

President Pomerantz asked the Board Office to docket this item for the Board to review at a subsequent meeting.

**ACTION:** President Pomerantz stated the Board received Part I of the Annual Enrollment Report on Regent institutions by general consent.

**STATEMENT ON GOVERNANCE.** The Board Office recommended the Board adopt the Statement on Governance, as follows:

The State Board of Regents, by statute, governs Iowa's three state-supported universities, the University of Iowa, Iowa State University, the University of Northern Iowa, Iowa School for the Deaf and the Iowa Braille and Sight Saving School. The Board, pursuant to this authority, establishes the missions, adopts long-range plans, makes educational policy, appoints presidents and other institutional officials, reviews and approves budgets for submission to the Governor and General Assembly, establishes annual operating budgets and personnel policies, oversees the business operations of the institutions, reviews and approves academic programs, and adjudicates disputes. The staff of the Board, headed by the Executive Secretary, is located in Des Moines. It is responsible for providing staff assistance to the Board, reviewing and analyzing institutional proposals, and preparing recommendations to the Board.

Legislative liaison activities of the universities are organized under the overall governance authority of the Board of Regents. These activities are vital to the continued academic and fiscal well-being of the institutions and of public higher education in Iowa. Such activities involve complex questions of public policy, regental

responsibility, institutional objectives, and budgetary considerations. For these reasons, it is important that the principles governing institutional legislative activities, particularly those conducted by the legislative liaison representatives, be carefully specified.

### The Legislative Liaison Function

Legislative liaison representatives are responsible for transmitting and interpreting policies of the Board of Regents and the universities to the General Assembly and other state officials. The legislative liaison representatives conduct their duties under the direction of the Board of Regents. Operating under the overall mandate from the Board of Regents, each liaison representative has special responsibilities to the university by which he or she is employed. These latter responsibilities include interpretation and communication of Board policies specifically referring to that university; communication of information concerning the particular mission, programs, strengths, needs, and goals of the institutions; and advocacy consistent with the accomplishment of the institutional objectives approved by the Board.

### Operating Guidelines for the Legislative Liaison Function

1. Legislative liaison representatives are employees of the individual universities and report to the presidents sometimes through a vice-president or other institutional official. They serve in a line relationship through the presidents to the Board of Regents. In cooperation with one another, they work with the General Assembly and other state officials to implement Board policy.
2. Only the Board of Regents can make legislative policy for the universities. In furtherance of its policy-setting responsibilities, the Board of Regents through the president shall provide overall direction to the legislative liaison representatives.
3. The development of legislative strategy is the responsibility of the Board and the Board President in conjunction and consultation with the legislative liaison representatives, the Executive Secretary and the presidents.
4. The legislative liaison representatives shall be responsible for the daily operation of the Regent's legislative activities. The institutional heads and the legislative liaisons shall work through the Executive Secretary to coordinate those daily activities effectively. The representatives are the Regent's

primary contact with the legislators and are authorized to communicate as needed with members of the General Assembly representatives of state agencies, and others with respect to tactical and operational detail.

5. Because of the inherent complexity of the legislative liaison function and the possibility of misunderstanding, it is essential that open lines of communication be developed and maintained. To that end and to avoid the evolution of institutional initiatives inconsistent with Board policy, regular conferences should be held. Participants should include the Board President, the Executive Secretary, the presidents, and the legislative liaison representatives. The bulk of these conferences will be held during the legislative session. Other Regents, Board Office staff, and institutional representatives will be active participants in many of these discussions.
6. Coordination among the institutions is essential. Such coordination will be enhanced by frequent communication as noted earlier. The institutions acknowledge the preeminence of the Board's policy-making authority and its responsibility for institutional governance. As plans for legislative and other initiatives are developed by the Board, the institutions will have the opportunity to represent their own positions and to attempt to influence the Board's decisions. However, when the Board has adopted a legislative policy, the institutions will accept this policy and work to represent it to legislative and other officials in Des Moines.
7. The Executive Secretary and other Board Office staff will provide analysis, staff support and coordination of legislative activities. As the staff of the Board of Regents, the Board Office has important responsibilities in assisting with the implementation of Board policies.
8. In summary, operation of legislative liaison activities is characterized by recognition of the authority of the Board of Regents and its established policies and directions; recognition of the individual and complementary missions of the institutions; communication among the Board, the Board Office, and the institutions; and frequent consultation.

Mr. Richey said the Board had been working on the statement since last May. The proposed statement was worked out very carefully by Board members, institutional representatives and the Board Office staff.

Regent Tyler said he thought it was a very good governance statement. He asked for comment on the language under the legislative liaison function heading which referred, in two sentences within that paragraph, to the

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liaison interpreting policy of the Board. He said that was the only item in the statement that he questioned.

Regent Fitzgibbon said he had also questioned that section, and suggested deleting the word "interpretation" in both occurrences.

President Remington suggested an alternative word would be "explanation".

The Board members agreed to replace the word "interpretation" with "explanation".

MOTION: Regent Tyler moved to adopt the Statement on Governance, as revised. Regent Fitzgibbon seconded the motion, and it carried unanimously.

**TERM OF APPOINTMENTS FOR UNIVERSITY OF IOWA ADMINISTRATORS.** The Board Office recommended the following statement of policy regarding term appointments of administrators at the University of Iowa be adopted:

The Board has considered the recommendation of the University of Iowa Faculty Senate that academic administrators at the University of Iowa at all levels be appointed to renewable terms not to exceed five years in length. The Board reconfirms its long-standing practice that higher-level administrators (presidents, vice presidents, and deans) be appointed to indefinite terms. It further reaffirms its belief that policies concerning term appointments for departmental executive officers in departmentalized colleges be left to the discretion of the individual college subject to confirmation by the President and Chief Academic Officer. Present policies and practices of the Board concerning administrative appointments are hereby reaffirmed.

Several years ago the faculty council at the University of Iowa appointed an ad hoc committee to study the issue of the appointment of academic administrators on a term basis. Below is a summary extracted from the committee's report that indicates its findings and conclusions.

The Committee believes that effective and meaningful periodic review of academic units and their officers enhances administrative performance and is essential for the maintenance of academic vitality. Satisfactory performance of academic officers as determined by periodic review should be the condition for continued appointment. The Committee does not agree on whether the review system as currently in operation at the U of I is effective and meaningful. A majority of Committee members feel that the existing review system is not uniformly effective. Moreover, these members hold that truly effective review is not possible except in a system

in which academic officers serve for finite periods of time and where reappointment is dependent on a satisfactory outcome of the review. On the other hand, a minority of Committee members feel that the review process currently in place can be effective and, in any case, would not be strengthened by linkage of reappointment to a satisfactory review.

The Committee believes that, if term appointments are established, terms of 5 years would best suit this University. The Committee takes no firm position in this matter and thus leaves open the possibility of shorter or longer terms. It also is the conclusion of the Committee that the current system of term appointments used in some academic units of the University is not necessarily the best model. A majority of Committee members believe that elected, sometimes rotating, appointments of academic officers are not effective.

Another and closely related question is that of collegiate autonomy. A majority of Committee members feel that the concept of term appointments with reappointments based upon reaffirmative review are so fundamental to institutional vitality that it should be adopted throughout the University. Granting colleges the autonomy to adopt or reject term appointments would seriously undermine the effectiveness of the system. On the other hand, the Committee believes that colleges should be granted autonomy to choose shorter than standard lengths of terms and to choose procedures to be used in selection of academic officers.

By a 4-2 majority the Committee endorses the concept of term appointments for all academic officers, including the president of the university.

President Remington introduced Professor Bruce Gronbeck, President of the Iowa Faculty Senate.

Mr. Gronbeck stated the issue of term appointments was part of a faculty effort to participate in university decision-making -- an effort which started in the early 1960s. The effort continued into the 1970s when faculty participation extended to areas of faculty reviews. He said stage three of the effort occurred during much of the 1980s and included faculty participation in review of deans. Last spring the Faculty Senate asked that administrators be appointed for renewable terms. He said President Remington rejected their request. Mr. Gronbeck said Faculty Senate officers have started to work on that plan.

Mr. Gronbeck summarized the arguments pro and con to the request for term appointments. He said concerns expressed by the university administration included 1) that it has an adverse effect on recruitment, 2) the terms should

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not be fixed, 3) collegiate autonomy, and 4) that it would be used to get rid of unpopular administrators. Mr. Gronbeck proceeded to address those concerns. He said he had not seen any information that showed term appointments had an adverse effect on recruitment; and the great majority of universities utilizing terms appointments say it doesn't effect recruitment. Mr. Gronbeck said the faculty suggested terms of 5 years because that is what is currently in place. In reference to collegiate autonomy and whether colleges should have the ability to select their own form of appointments, he said it was debatable. He said the Faculty Senate believes everyone follows the same rules when it comes to hiring, promotion, tenure, and grievances, and believed that all important personnel actions should be handled the same. Referring to the concern that term appointments might be an avenue for getting rid of unpopular administrators, Mr. Gronbeck said effective administrators are given affirmative support by renewal of term appointments. He said if an administrator is not effective then term appointments allow an administrator to resign at the end of the term without embarrassment. He said the faculty's concern is for managerial accountability. The faculty thinks this would provide the best effort for auditing managers of the universities.

Mr. Gronbeck stated that no one knows how all this would work. The plan the faculty will bring may include a recommendation of a term appointment for the university president. He said the principle seems right for the University of Iowa.

Mr. Gronbeck said that if the Board stands pat on the current policy it may come off as attempting to bully the faculty and would work as a denial of free speech. He said the only reasonable action was to table the motion.

Regent Williams asked whether the university currently has a policy on renewable terms for the faculty. President Remington said the majority of faculty are not on probationary status.

Regent Williams stated she was on the faculty at University of Iowa in the early-1970s. She said the move by faculty toward term appointments concerned her. She saw it as more politicization of appointments of the administration than they already were. She said the decision as to length of appointments should be based on performance and that performance reviews should be on-going. Regent Williams felt that recruitment of quality faculty would be hampered by the use of term appointments. She said it was conceivable the university would have a problem not only recruiting but retaining faculty. She said some faculty join the university with the intention of working under a particular administrator. She said the university should retain what it currently has.

President Remington said the university administration agreed fully that administrators and others should be reviewed on a regular basis. He said the University of Iowa has one of the most searching review periods in the nation

and added that it is effective and it works. President Remington expressed concern about the Faculty Senate recommendation that the president, all vice presidents, and all deans be appointed for terms of five years.

President Remington was concerned that while the Board and university are searching for a president and vice president at the University of Iowa the Board needs to make it clear that it does not support term appointments. He said that talk of possible action to approve term appointments adds something to a search process and may make it more difficult to attract top-flight candidates. He said another concern was uniformly mandating term appointments across all the colleges.

President Remington introduced Dr. James McLeran, Dean of the College of Dentistry, and Dr. John Eckstein, Dean of the College of Medicine.

Dean Eckstein stated the College of Medicine clearly is opposed to term appointments. He said 500 faculty members were unanimous in their position which they transmitted to the Faculty Senate. The College of Medicine faculty were surveyed by the chair of the Faculty Senate. The survey found that the vast majority favored the type of appointments they have. Dean Eckstein said the College of Medicine may be different from other colleges since the residents relate rather directly to the department executive officers. Many of the department executive officers have established national reputations; therefore, he said it may be difficult to recruit high quality residents if they knew that the department head might not serve the full term.

Dean Eckstein said the College of Medicine does not get much state funding. A department head is responsible for much of the departmental financing, and the department head's national recognition relates directly to the financial support acquired by the college. He did not believe that the uncertainty of a term appointment would contribute to the effectiveness of maintaining their departments.

Dean Eckstein said that recruiting faculty and increasing extramural research support depends on department heads. A variety of things would be affected by term appointments. In the clinical department of the College of Medicine referrals are closely tied to the reputation of the department head. He said it was extremely important that department heads remain visible as the leaders of their departments.

Dean McLeran asked the Board to remember when they hear what the faculty feels that it was not a unanimous faculty feeling. He said an elected member to the Faculty Senate from the College of Dentistry polled the faculty when the issue of term appointments was under consideration in the spring. Seventy-five percent of the faculty responded to maintain the current policy which he said revealed a strong feeling on the part of the faculty. He said many factors would be affected by the adoption of term appointments including

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the ability to attract graduate students, patients, and the ability to attract young faculty. He said the leadership of departmental executive officers was crucial to the College of Dentistry. They have just undergone a college-wide review which included a separate review of the departmental executive officers and the deans. He said thought that effort was fulfilling to their faculty. The assertion of the College of Dentistry faculty is to maintain the policy as it is currently.

Dean McLeran said the College of Dentistry has three departmental executive officer recruitments going on. On 5 occasions that he has spoken with individuals interested in the openings he was asked whether the college was now going to term appointments. He felt that showed a significant concern on the part of dental personnel due to the fact that it was being discussed at the university level and had permeated the dental community. He said that reinforced his concerns.

Mr. Gronbeck introduced Mike Brody, past president of the Faculty Senate.

Mr. Brody said the Faculty Senate had attempted to deal with the issue of term appointments for over a year. In their discussions they recognized that the university president may be a "special creature" in this process. However, they were still in favor of the principle of term appointments. He said the faculty of the University of Iowa are in the discussion stages of the development of a term appointment policy. He said that if the Board were to tell the faculty today that the evaluation of a term appointment policy must stop, the faculty may view the Board's action as attempting to bully the faculty. He urged the Board to not take action but to ask faculty to bring a policy recommendation to the Board in the future.

Mr. Gronbeck referred to Regent Williams' earlier comments regarding the politicization of appointments and reappointments, and said he did not believe the use of term appointments would make appointments any more politicized than they currently are. He agreed that the university would probably need varying lengths of appointments.

President Remington stated he wished to share with the Board how the issue of term appointments had come before them at this meeting. He said the Faculty Senate asked that information on their four motions regarding term appointments be relayed to the Board. He relayed a letter three days later.

President Remington pointed out that the Faculty Senate had distributed a document that stated the College of Law already operated under the term appointment system. He said that information was incorrect.

MOTION:

Regent Fitzgibbon moved that the following statement of policy regarding term appointments of administrators at the University of Iowa be adopted: The Board

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has considered the recommendation of the University of Iowa Faculty Senate that academic administrators at the University of Iowa at all levels be appointed to renewable terms not to exceed five years in length. The Board reconfirms its long-standing practice that higher-level administrators (presidents, vice presidents, and deans) be appointed to indefinite terms. It further reaffirms its belief that policies concerning term appointments for departmental executive officers in departmentalized colleges be left to the discretion of the individual college subject to confirmation by the President and Chief Academic Officer. Present policies and practices of the Board concerning administrative appointments are hereby reaffirmed. Regent Williams seconded the motion.

President Pomerantz stated the presentations were eloquent and spoke to important issues. However, governance at the University of Iowa is a critical issue. He said it was timely to send a message to prospective presidential candidates that the Board was not endorsing term appointments and wished to make its position well known.

**VOTE ON THE MOTION:** The motion carried unanimously.

**APPROVAL OF EDUCATION FOR ECONOMIC SECURITY ACT (EESA), TITLE II GRANTS.** The Board Office recommended the Board approve the EESA, Title II Grants for Fiscal Year 1985, 1986 & 1987.

Title II of the Education for Economic Security Act (EESA) of 1984 is designed to improve the quality of instruction in mathematics, science, foreign language, and computer learning. This year both the 1986 and 1987 funds are being combined. Approximately \$297,965 is available in the competitive grant category and \$73,457 in the cooperative grant category.

Requests for proposals were sent to all Iowa postsecondary educational institutions in August and sixteen competitive grants totaling \$455,885 were proposed. In the cooperative grant category, five proposals totaling \$164,525 were proposed. A review committee consisting of representatives from the area community colleges, independent colleges and universities, Regent universities, and local school districts reviewed the proposals submitted. The review committee recommended approval of nine competitive grants and two cooperative grants totaling the full amount of available funds.

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In addition to the FY 1986 and FY 1987 grants, there is approximately \$35,000 in unused funds from the FY 1985 grant program that the Board Office recommended for a project that would focus on math and science instruction at the two special schools. The project was proposed by Dr. Barak to the special schools advisory committees at their September meeting and was unanimously endorsed by the two committees. It was recommended that these funds be approved for use in this special project subject to specific approval of the EESA, Title II project officer.

**MOTION:** Regent Fitzgibbon moved approval of the EESA, Title II Grants for Fiscal Year 1985, 1986 & 1987, as recommended. Regent VanEkeren seconded the motion, and it carried unanimously.

**ORGANIZATIONAL AUDITS.** The Board Office recommended the Board receive the report on the Organizational Audit and approve an institutional cost allocation of University of Iowa \$9,319, Iowa State University \$9,319, and University of Northern Iowa \$2,072 for the supplemental contract on investments.

In September, the Banking Committee and the Board authorized a work plan be developed with the consultants to review the cash management investment operations of the three universities. A contract for this work was negotiated with Peat Marwick Main and Company for \$20,710 and was developed in consultation with the Board President and Chairman of the Board's Banking Committee.

The allocation of cost is based on examination of the work expected to be performed which is believed to result in an equal effort by the Peat Marwick Main consultants at Iowa State University and the University of Iowa despite the larger amounts of invested funds at the University of Iowa. The University of Northern Iowa is proposed to support 10 percent of the cost of the work of this project due to the substantially fewer invested funds and the less involved operating processes to be evaluated in the cash management and investment functions.

Mr. Richey stated the language of the supplemental contract was being worked out by the Attorney General's Office.

Regent Williams asked if the \$99,000 contract approved by the Board last month was for part one of the Organizational Audit only. Mr. Richey responded that was correct.

**MOTION:** Regent Tyler moved to receive the report on the Organizational Audit and approve an institutional cost allocation of University

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of Iowa \$9,319, Iowa State University \$9,319, and University of Northern Iowa \$2,072 for the supplemental contract on investments. Regent Harris seconded the motion, and it carried unanimously.

**REPORT ON STUDIES OF PRIORITY ISSUES.** The Board Office recommended the Board approve the priority issues study assignments.

Last month the Board deferred action on the priority issues study assignments pending a further review by the institutions. The priority issues were revised to reflect institutional comments and suggestions, as appropriate. The Board Office will begin scheduling meetings of the various study groups.

**MOTION:** Regent Williams moved to approve the priority issues study assignments. Regent Fitzgibbon seconded the motion.

Regent Harris expressed concern that some of the issues could not be completed by their stated deadlines. Mr. Richey responded that it was decided to leave the timeframes as they were originally planned and to allow the study groups to determine their own timeframes.

Regent Tyler referred to the issue of "improved relations with agencies" for which Regent Greig was scheduled to lead the group, and asked whether there would be a change in leadership due to Regent Greig's illness. Director Barak stated he talked with Regent Greig prior to his surgery. Regent Greig indicated to Director Barak that the committee should move forward. Director Barak said they have been and are continuing to proceed with their charge.

President Pomerantz said that given Regent Greig's illness there may be another leader selected.

**VOTE ON THE MOTION:** The motion carried unanimously.

**FINAL BUDGET REQUESTS.** (A) Supplemental Requests for Operating Budget, Fiscal Year 1988. The Board Office recommended the Board (1) approve a supplemental appropriations request of \$4.3 million for fiscal year 1988 to meet essential and unfunded fiscal year 1988 needs for comparable worth adjustments, increased health insurance costs and salary adjustments, (2) adjust the fiscal year 1989 base budget request accordingly, and (3) approve a supplemental appropriation of \$48,000 for fiscal year 1988 for the Rural Concern Hotline at Iowa State University.

Supplemental appropriations requests of \$4.3 million were recommended for fiscal year 1988, as follows:

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Unfunded Health and Dental Insurance Costs	\$2,357,226
Unfunded Comparable Worth Costs	570,043
Reduction in Salary Adjustment Funds (excluding comparable worth portion)	1,331,861
Rural Concern Hotline	<u>48,000</u>
Total	\$4,307,130

Director True stated there was a misinterpretation on the University of Iowa's comparable worth funding request; therefore, the university's supplemental appropriations request would be revised to correct that figure.

MOTION: Regent Williams moved to (1) approve a supplemental appropriations request of \$4.3 million for fiscal year 1988 to meet essential and unfunded fiscal year 1988 needs for comparable worth adjustments, increased health insurance costs and salary adjustments, (2) adjust the fiscal year 1989 base budget request accordingly, and (3) approve a supplemental appropriation of \$48,000 for fiscal year 1988 for the Rural Concern Hotline at Iowa State University. Regent VanGilst seconded the motion, and it carried unanimously.

(B) Operating Budget, Fiscal Year 1989. The Board Office recommended the Board (1) Approve the following operating budget requests for fiscal year 1989.

University of Iowa	
General University	\$243,359,111
University Hospitals	187,308,155
Psychiatric Hospital	10,469,133
Hospital School	5,841,830
Oakdale Campus	3,019,724
Hygienic Laboratory	3,764,201
Family Practice	1,714,179
SCHS: Ca/Hemo/HR	560,479
Subtotal	\$456,036,811
Iowa State University	
General University	\$201,203,655
Agricultural Experiment Station	18,706,849
Cooperative Extension Service	21,022,200
Subtotal	\$240,932,704

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University of Northern Iowa	\$ 69,955,854
Iowa School for the Deaf	\$ 5,566,797
Iowa Braille & Sight Saving School	\$ 3,104,536
Regent Requests	\$ 5,000,000
TOTAL	\$780,596,702

These figures will be adjusted as necessary to incorporate the utility budget recommendations.

(2) Approve special purpose and standing appropriations requests.

Last month the Board received reports on operating budget requests for fiscal year 1989 and gave preliminary approval to the Board Office recommendations on general policies for the fiscal year 1989 operating budget requests. Recommendations on the budget requests for the special schools and a number of special purpose appropriation units were deferred until this month.

The Board Office recommended total institutional operating budget requests for fiscal year 1989 of \$780.6 million, an increase of 12.7 percent over fiscal year 1988. The Board Office recommendation includes an appropriation request of \$438.7 million, an increase of 17.8 percent over fiscal year 1988. Over \$52 million of the increase (a 14 percent increase in appropriations) is for faculty salary increases and Improving Educational Quality.

Last month's request for increasing minority enrollments was increased from \$1 million to \$2 million for the Regent universities and recommendations were provided in the areas deferred until this month.

Highlights of the operating budget recommendations follow.

\* Salaries. Faculty salary increases of 13 percent were requested by the universities and recommended by the Board Office. For the special schools, faculty salary increases of 7 percent were recommended.

The Board Office recommended increases of 7 percent for professional and scientific staff. The institutions had requested increases of 11 percent.

For general service staff the institutions requested and the Board Office recommended increases of 4 percent plus merit steps, in agreement with the state's collective bargaining agreement.

The recommendations included funding for annualization of fiscal year 1988 fringe benefit adjustments and merit step moves and support for projected health insurance premium increases of approximately 15 percent.

- \* Utilities. Total increases of \$5.3 million or 17.3 percent were requested by the institutions.
- \* Supplies and Services. Five percent price inflation was recommended by the Board Office, in addition to an Improving Educational Quality request of \$2.5 million to be distributed among the Regent institutions by the Board. The institutions had requested a total increase of ten percent (\$4.6 million more than the Board Office recommendation).
- \* Equipment. Five percent price inflation was recommended by the Board Office, in addition to an Improving Educational Quality request of \$2.5 million to be distributed among the Regent institutions by the Board. The institutions had requested an additional \$9.2 million based on a standard depreciation formula.
- \* Library Books. 18 percent price inflation was requested by the institutions and recommended by the Board Office.
- \* Building Repairs. Five percent price inflation was recommended by the Board Office plus increments as follows:

University of Iowa General University	\$1,300,000
Iowa State University General University	\$1,300,000
University of Northern Iowa	\$ 400,000

The institutions requested increases of \$7.3 million.

- \* Opening New Buildings. A total of \$1.9 million was recommended by the Board Office for buildings expected to be opened in fiscal years 1988 and 1989 and for some construction-related utilities. The institutions requested an additional \$1.2 million for buildings opened prior to fiscal year 1988.
- \* Library Automation. A total of \$1.25 million was recommended by the Board Office. An additional \$450,000 was requested by the universities.
- \* Minority Enrollment. A total of \$2.0 million was recommended by the Board Office, distributed as follows:

University of Iowa	\$795,000
Iowa State University	\$795,000
University of Northern Iowa	\$425,000

The institutions had originally requested a total of \$4.075 million.

- \* Improving Educational Quality. A total of \$17.0 million was recommended by the Board Office. This total includes:

University of Iowa	\$5.0 million
Iowa State University	5.0 million
University of Northern Iowa	2.0 million
Supplies and Services	2.5 million
Equipment	2.5 million

The recommended Regent requests for supplies and services and for equipment are for support of critical needs, with funds to be distributed to the institutions by the Board. The institutions requested a total of \$25.9 million for Improving Educational Quality.

- \* Institutional Income. Institutional income projections include \$146.9 million in net tuition income to the General Fund. Actual revenues are projected to be less than this due to enrollment declines but will be offset by decreased expenditures.
- \* Special Purpose Appropriations. The Board Office recommended a total request of \$3.0 million for special purpose appropriations.

Mr. Richey stated the Board Office recommended a utility budget increase of 5 percent for the three universities, as well as additional budget request increments of \$550,000 for the University of Iowa and Iowa State University, and \$200,000 for the University of Northern Iowa for extraordinary needs beyond the nominal 5 percent inflation.

Director True stated there were two amendments to the budget information presented to the Board last month. Iowa Braille and Sight Saving School deleted \$47,000 from their business functions personnel which has now been added into non-personnel categories. The second item was the calculation of annualization needs at Iowa School for the Deaf which was shown to be higher than it should be. Mr. Richey added that those two items were minor adjustments.

Regent VanEkeren asked that someone from Iowa State University explain the Fire Service Institute funding request.

Vice President Madden said the Fire Service Institute at Iowa State University was established by the 1986 session of the legislature to provide educational programs for volunteer and paid fire departments throughout the state. He said historically that function was maintained within the university structure but the legislature created it as a separate entity. The fiscal year 1989 funding request for the institute recommended substantial increases in support. He said they are in the process of

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providing more training and services for professional fire fighters across the state.

Vice President Madden said there was no question that the volunteer fire departments across the state are important. He said the Board Office recommended a 10 percent increase in financial support which he felt was a reasonable recommendation. He said it was an important program for the state and there was nothing inappropriate in their request. He said that in looking at the overall university budget there are a number of priorities they are trying to balance.

Vice President Phillips asked to speak to the Board regarding the budget for Professional and Scientific salaries and minority enrollments. She felt those were two areas they must bring to the Board's attention. She said Professional and Scientific salaries are increasingly non-competitive. The university is not able to attract people in certain areas.

Associate Vice President Small reiterated several points made at last month's meeting by representatives of the University of Iowa Staff Council and Professional and Scientific personnel. She said the change in policy by the state during the past year which decoupled faculty and professional salaries had a negative impact on the campus. Professional staff play a crucial role in the work of the faculty. Every year she gets personal visits and long letters from the professors carrying out research in areas such as space physics concerning how difficult it is to continue their work. The work referred to is done by people of the same educational quality as the professors but those persons are scientists. She said it is hard to operate a world-class research effort without adequately-compensated research personnel.

Associate Vice President Small stated the university administration found themselves in a troubling position at salary setting time because people who work side by side had to now be measured in different ways. This was a problem in both the equity of the situation and in keeping the kind of people they need. She said the university presented information last month which illustrated the severity of the problem. One example given was that of a staff pharmacist at the University of Iowa with a salary range of \$22,380 to \$33,495. A recent Pharmacy graduate is seeking a position at a local pharmacy which pays a starting salary of \$33,000. She said the Professional and Scientific employees can leave the institutions and make 20 - 30 percent higher salaries.

Associate Vice President Small said the state requires the universities to pursue a system of comparable worth salaries. She said they have adjusted their whole salary system which addressed the needs not just for the people that the market values but for all persons within a particular category.

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Associate Vice President Small strongly urged the Board to request an 11 percent salary increase for Professional and Scientific personnel. She said if they are able to get close to that amount the university will do everything possible by way of internal reallocation to bring the salary increases up to the 13 percent level of faculty.

President Remington stated the University of Iowa has been pursuing interdisciplinary teamwork for a long time. He said the faculty work with very qualified Professional and Scientific colleagues. The work depends increasingly on teamwork but that team gets pulled apart when the needs of Professional and Scientific employees are not recognized. He said the difference between the 13 percent recommended increase for faculty and the 7 percent recommended increase for Professional and Scientific employees was far too great a difference. He said that if the recommendation for Professional and Scientific employees could be brought up to 11 percent the university could probably accommodate the additional two percent increase and accomplish a recoupling. He cautioned that if the salary increase inequities continued the university would have a real problem. He urged the Board's most careful consideration of the matter.

One other item President Remington wished to bring to the Board's attention was the Opportunity at Iowa program for which a press conference was held the day before. He said the fiscal year 1989 budget included funds to increase minority enrollments and minority faculty. The university was proposing Opportunity at Iowa as a responsive, specific program to address minority enrollments and minority faculty. He said that in the university's docket item "Approval of Appointments of Administrators" was a request that Dean Hubbard be appointed as Director of the Opportunity at Iowa program.

Dean Hubbard stated the budget portion of the program amounted to \$1 million. The funds would allow the university to take steps necessary to ensure minority enrollment increases. He said that by phasing the program in now by 1991 the university expected to achieve a goal of 8-1/2 percent minority enrollment. He said the university interpreted the Board's previous action to increase minority enrollments to 8-1/2 percent to mean 8-1/2 percent in each of the colleges, not the total university minority enrollment.

Dean Hubbard stated the \$1 million funding was for the first year of the program. He expressed concern about funding reductions in scholarship programs and said that in order to be competitive in graduate fellowships the scholarship amount must be at least at the \$14,000 level.

Dean Hubbard said an indication of the care put into developing the budget was that no funding was requested for the College of Law since it already has a minority enrollment of 10 percent nor for the College of Medicine which has a minority enrollment of 11 percent. Therefore, he said the budget was based on actual numbers.

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Mr. Richey stated the Board Office recommended \$2,015,000 for the first phase of the program to increase minority enrollment and minority faculty recruitment for the three universities. He said that is double the recommendation presented to the Board last month.

Regent Williams said she assumed there would be a second and third phase to the minority recruitment effort. She reminded the university presidents that in making her decision to vote in favor of the tuition increase she also let the institutions know that the Board has high expectations in the minority recruitment area. She said the Board should not "tie their hands" as far as how they go about increasing the recruitment.

Mr. Richey stated the budget recommendations require a 19 percent increase in the general operating budget for each of the universities. He said that even with that recommended increase in appropriations they are still having to make hard decisions concerning programs like the one being proposed by the University of Iowa. He said equally difficult decisions were made for Improving Educational Quality funds.

Regent Williams stated she wanted the public to understand that the Regents are serious about the intent to provide funds for increasing minority recruitment.

President Remington said he did not want to break the budget guidelines. He suggested the Board consider adding \$455,000 to raise the Minority Enrollment category back to the amount requested and deducting the same amount from Improving Educational Quality. He said the additional funds would make a large difference in the program's operations. The university considers this as one of the highest priorities.

Regent Fitzgibbon asked what would be eliminated if the Board were to approve the university's request. President Remington responded that the university would prorate that amount from their priority request on a proportional basis.

Regent Fitzgibbon said he did not believe in giving up educational quality. He asked if there were any possibility of finding the \$455,000 somewhere else. President Pomerantz said that if they find the extra funds for the University of Iowa they have to find them for the other two universities.

Regent Williams said she felt comfortable in approving the university's request to make a proportional reduction in the four categories under Improving Educational Quality if the university could provide reasonable assurances it could be done without a reduction in quality, and if the Board Office concurred with the request.

President Remington referred to the \$5 million Board Office recommendation for University of Iowa funding under Improving Educational Quality, and said

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if the university took the \$455,000 needed for the Opportunity at Iowa program from among those 4 categories it would not have a major effect on those programs.

President Pomerantz said the university's request did not appear to be a lessening of other priorities but a recognition of the Opportunities at Iowa project. He said if the Regents were serious about minority recruitment then something had to give.

Regent Fitzgibbon said he did not want to hear anyone saying they took away from educational quality by utilizing funds from the Improving Educational Quality category. President Remington said the university would actually be adding quality. Mr. Richey said the university would use some of the funds to add faculty. He said he thought the university could remove funds from those Improving Educational Quality projects in such a way so as not to reduce their quality.

Regent Fitzgibbon said the Regent universities are jeopardizing their positions within the academic community by not improving minority recruitment efforts. He said he was certainly in favor of more dollars to provide the necessary support to the minority recruitment effort, but said there must be something else missing. He did not believe that funding was the whole answer to the problem. He felt something else was needed to supplement that goal.

President Pomerantz stated minority recruitment is a major priority issue. As such it is included as an issue for study by a priority issues committee; therefore, the Board intends to do more than just put dollars into the minority recruitment effort. He said the Board is not going to let the legislature off the hook and would use its most persuasive lobbying effort.

**MOTION:**

Regent Harris moved to (1) approve the operating budget requests for fiscal year 1989 as recommended by the Board Office, including the request of President Remington to utilize \$455,000 of the University of Iowa's \$5 million Improving Educational Quality funds to fund the Opportunity at Iowa program by prorating that amount of funds from their priority list on a proportional basis and (2) approve special purpose and standing appropriations requests, Regent Williams seconded the motion, and it carried with Regent VanEkeren voting "no".

President Eaton presented a supplemental item regarding the 3M Amorphous Semiconductor Laboratory. He said that although the university did not

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identify the source of funds, they were requesting to increase state support for Fiscal Years 1989 and 1990 to \$2 million per year. If the project is to be undertaken there needs to be a commitment from the state to provide financial support for matching 3M's commitment. President Eaton said Iowa State University has obtained a verbal commitment of a three-year grant from oil overcharge funds of \$500,000 per year. The Iowa Department of Economic Development has also agreed to commit \$500,000 in the current fiscal year. These commitments will provide the support needed for the remainder of the current fiscal year. In fiscal years 1989 and 1990 a total of \$2 million per year of state support is needed to match the 3M company commitment. Therefore, he said the university was seeking additional state support of \$1.5 million in each of the next two years. President Eaton stated that although the state funding cycle would not allow for a full three-year commitment to the program, the university and 3M felt they could find a basis for continuing the project if the Regents agreed to use their best efforts to seek state support from all available sources.

In reference to a Letter of Intent between 3M and Iowa State University, President Eaton stated the letter would be modified to allow the university an "out".

President Pomerantz stated he attended a meeting with representatives of 3M and Iowa State University where this project was discussed. He believed it was an example of some of the best joint venturing between the private sector and Regent universities. He said 3M is willing to invest a considerable amount of resources. The parties agreed to recommend to the Board of Regents that, at the appropriate time, it put forward its best efforts without compromising its other priorities. He said that seemed to satisfy the 3M people since they were looking for a signal that the Regents were supportive. He cautioned that while the project has promise there is no guarantee.

Regent Fitzgibbon asked where the additional state support would come from. President Pomerantz said it was his understanding that the funds would come from appropriations or lottery funds.

Regent Fitzgibbon expressed concern about the verbal commitment to use oil overcharge funds. He said the law was specific about how those funds could be used and he did not think this project qualified.

Regent Tyler asked if this would in any way affect the Board's present capital budget priority list. President Pomerantz said they were careful to explain to 3M that the Regents had other priorities. 3M was told the most President Pomerantz would recommend to the Board was that they would put forward their best efforts at the appropriate time.

Regent Williams said she was not opposed to adopting a support statement for the project but as far as ranking it with other Regent projects she wanted them to be ranked in the order they were adopted.

Vice President Madden said the Board was asked to take action at this meeting because the proposal had to be presented to the state in time for the fiscal year 1989 budgeting process.

Regent VanGilst stated the Board would not present the 1990 budget requests to the legislature this year. President Pomerantz stated there was a request for Fiscal Year 1989, also.

Regent Fitzgibbon clarified that they were talking about intent at this point and that it would be subject to funding.

President Pomerantz stated the Letter of Intent should go through the Board's counsel for legal review prior to signing.

**MOTION:** Regent Tyler moved that the Board put forth its best effort to support the ISU/3M Amorphous Semiconductor Laboratory to increase state support for Fiscal Year 1989 and Fiscal Year 1990 to \$2 million per year, with the understanding that it was not a budget request but an endorsement of the program. Regent Fitzgibbon seconded the motion.

President Pomerantz clarified that the motion was to make a supplemental budget request for Fiscal Years 1989 and 1990, and to express in the Letter of Intent what the Board's priorities are, and to further give clarification that it is the Board's intent to facilitate the project in the future. He said that by doing so the Board would give the legislature the signal of its intent.

Regent VanGilst reminded the members that the Board of Regents could only request funds for Fiscal Year 1989.

President Remington asked whether this meant the Board was increasing the Iowa State University budget. President Pomerantz responded that the Board was trying to send the message that it looks favorably on this project, and supported its funding from lottery or whatever funds could be found, but so as not to interfere with other priorities of the Regent institutions. He clarified that the Board was not proposing to open this up to a new budget process, which he said was also made clear to the 3M representatives. Mr. Richey characterized it as not a budget request but an endorsement of the program.

**WITHDRAWAL OF MOTION:** Regent Tyler withdrew his motion.

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Regent Williams asked for clarification regarding the request to increase state support.

President Pomerantz stated this was a 12th hour request. The Board does not wish to slight the other institutions. From the Board's perspective it wants to send a signal to 3M that the Regents will put forth their best efforts after their priorities are satisfied. The Board needed to tell the Governor and the legislature that it will support this project if it can get endorsement at the legislative level. He said it would give the intent of the Board's best efforts but fall short of including it in the budget.

Regent Fitzgibbon said the project is good for the state of Iowa and he believed it ought to be pursued. He said the Board should give it its best effort and put together the necessary wording that will accomplish that while not jeopardizing the programs at the universities. He stated the Board did not perceive this as a budget item.

**MOTION:** Regent Fitzgibbon moved that the Board put forth its best effort to support the 3M Amorphous Semiconductor Laboratory while not jeopardizing existing/approved programs at the Regent universities nor including it as a budget item. Regent Williams seconded the motion.

President Eaton stated \$2 million per year of state support is needed to match the 3M commitment.

Regent Fitzgibbon said the Regents have an opportunity that they should move ahead with which would not jeopardize their priorities.

**VOTE ON THE MOTION:** The motion carried unanimously.

**CAPITAL IMPROVEMENTS BUDGET, FISCAL YEAR 1989.** The Board Office recommended the Board approve the priority listing of capital requests for fiscal year 1989.

In developing the ranking of capital projects, the Board Office took into consideration the Board's capital priorities for fiscal year 1988, the institutional presentations at the September Board meeting, Board discussion, and motions adopted by the Board in September revising the capital recommendation. In September the Board approved the contents of the Regents' capital program. This month the Board Office presented a recommendation on the priority for the projects within that program.

Fire and environmental safety projects were given top priority by the Board Office. A total of \$1,520,000 was recommended for the three universities. Examples of major fire safety projects the universities would accomplish are

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constructing fire walls to prevent the spread of smoke and fire, installation of fire alarm systems, and constructing second exits to comply with codes.

The Board Office priority #2 was funding for the Power Plant Addition at the University of Northern Iowa. The project involves construction of replacement boiler capacity at the new power plant.

Recommended priority #3 was to fund the laboratory and classroom equipment for the Agronomy Building at Iowa State University. The \$2 million request is to purchase the most critical equipment for the Agronomy Building. \$2 million was included in the Board's capital program last year but was not funded. The need to acquire at least a portion of the university's equipment needs for that new facility persists. The Board Office placed the Agronomy Building equipment first within Iowa State University's priorities. The university previously identified equipment needs at over \$5 million.

The next Board Office priority was to fund the planning for needed facility improvements at the Iowa School for the Deaf. The \$400,000 in planning money would design a new recreation building and remodel the dormitory wings in Giangreco Hall.

Planning for the addition to the Engineering Building at the University of Iowa was the fifth priority recommended by the Board Office. The addition will provide critically-needed laboratory space for electrical, biomedical and chemical engineering.

Updating the facilities on the outlying research farms for animal science research at Iowa State University was priority #6. Funds were recommended to prepare designs for the replacement and improvement of the facilities at the university's five major research centers. The outdated facilities limit the university's research efforts in cattle and swine research.

Recommended priority #7 was the expansion of the Water Treatment Plant at the University of Iowa. The project involves constructing additional production capacity at the water treatment facility. The increasing demand for the plant's daily output frequently exceeds the design capacity.

Funds for construction of a new 15 KV electrical substation and a new electrical loop at the University of Iowa was priority #8. This project will expand the university's electrical distribution network and electrical capacity on the north portion of the campus.

Planning funds for the addition to the College of Pharmacy Building at the University of Iowa was priority #9. The addition will accommodate growth in the scientific and development activities of the College of Pharmacy. The lack of space in the current building precludes installation of facilities and equipment necessary for modern pharmaceutical research and instruction.

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Recommended priority #10 was Wright Hall remodeling at the University of Northern Iowa. Wright Hall has not had a major renovation since it was built in 1914. Specific changes will include updating the heating and ventilating system and provide air conditioning. Interior wall changes and aesthetics will be a major part of the remodeling.

Upgrading the Laboratory Animal Facilities at Iowa State University in order to meet public health service requirements for research funding was listed by the Board Office as priority #11. The requested \$2 million in state funding anticipates a grant from the National Institute of Health to assist in complying with the accreditation standards.

A new electrical interconnection with the City of Ames was priority #12. The project will improve the reliability of electrical service to the university by connecting the university with the City of Ames and Midwest Utility Grid. Without interconnection, the university has no reliable back-up capacity for electrical service.

Recommended priority #13 was funding for Iowa State University's required participation in the construction of a new water pollution control plant by the City of Ames. The improved water pollution control is mandated by environmental regulatory agencies and the present capacity is not adequate for future needs.

The remaining recommended projects included planning for Intensive Livestock Research Facilities at Iowa State University, remodeling of the International Center (Old Law Center) at the University of Iowa, planning for an addition to the University Library at the University of Northern Iowa, planning for the Business Administration Building and remodeling of Maclean Hall, both at the University of Iowa.

BOARD OFFICE RECOMMENDED  
PRIORITY OF CAPITAL PROJECTS  
FISCAL YEAR 1989

<u>Priority Ranking</u>	<u>Project Amount</u>	<u>Project</u>	<u>Institution</u>
1	\$ 1,520	Fire and Environmental Safety	AI1
2	11,100	Power Plant Addition	UNI
3	2,000	Agronomy Building Equipment	ISU
4	400	Recreation Building & Dormitory Remodeling (planning)	ISD
5	1,000	Engineering Building Addition (planning)	SUI
6	4,000	Livestock Units for Cattle and Swine Rsrch.	ISU
7	4,000	Water Treatment Plant Expansion	SUI
8	4,800	15 KV Electrical Substation L & Loop J	SUI
9	600	Pharmacy Building Addition (planning)	SUI

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<u>Priority Ranking</u>	<u>Project Amount</u>	<u>Project</u>	<u>Institution</u>
10	2,600	Wright Hall	UNI
11	2,000	Laboratory Animal Facilities	ISU
12	2,000	Electrical Interconnection	ISU
13	2,000	Water Pollution Control	ISU
14	500	Intensive Livestock Research Facilities (planning)	ISU
15	1,000	International Center (Old Law Center)	SUI
16	400	Library Building Addition (planning)	UNI
17	1,000	Business Administration Building (planning)	SUI
18	1,100	Maclean Hall Remodeling	SUI

President Pomerantz stated he personally had a concern with the ranking of the Engineering Building addition ahead of planning for the Business Administration Building since they were equal priorities of the university.

President Remington said both those projects had been around for a long time and were ranked equally by the University of Iowa. He was also concerned about the ranking for remodeling of the Old Law Center which was ranked 15th.

Mr. Richey stated the Board Office was basically following the Board's policies of last year.

President Pomerantz requested that planning for the Business Administration Building be brought up to a level with the Engineering Building addition.

Regent Tyler requested that the Business Administration Building and Engineering Building projects be moved down so they were not put above planning for the Pharmacy Building addition.

President Curris stated that if there was going to be some realigning of the priorities as presented by the Board Office he wished to speak on behalf of his institution. He said everyone was aware of what happened with the University of Northern Iowa priorities in the last legislative session. Had the General Assembly followed the priorities recommended by the Board, Wright Hall would be funded now. He said the Library Building addition had also been revised slightly so that it was now scheduled as a planning project instead of a construction project.

President Remington reminded the Board that last year the Engineering Building was proposed for construction, not planning.

Regent Harris stated he believed that last year the Home Economics Building was ranked second and the Laser Laboratory third, followed by the Agronomy Building equipment. He said this year the Agronomy Building equipment was ranked third followed by the Dormitory remodeling. He said there needed to

be an understanding that this year the utility projects had to go very high on the list of priorities as well as the animal research facilities which are critical to research at Iowa State University. He said it was those types of crucial projects that drove the priorities list.

President Pomerantz asked to defer this docket item for an hour or two to give the Board Office an opportunity to consult further with the institutions.

**TUITION REPLACEMENT APPROPRIATIONS, FISCAL YEAR 1989.** The Board Office recommended the Board (1) approve a fiscal year 1989 tuition replacement appropriation request of \$18,765,800 and (2) receive a report on how the use of zero-coupon bonds could offset projected tuition replacement needs through 2001.

Tuition replacement needs for fiscal year 1989 were projected to be \$18,765,800. The actual need will vary depending upon the interest rates for bonds yet to be sold and the interest earnings from construction and reserve funds. This amount is approximately \$1.3 million more than the fiscal year 1988 appropriation and is necessary fully to reimburse the universities for the cost of debt service for Academic Building Revenue Bonds outstanding and those scheduled for sale through June 30, 1989. Interest earnings on construction funds are highly variable due to the uncertainties of construction schedules for authorized projects.

The issuance of zero-coupon bonds as a part of upcoming Academic Building Revenue Bond sales has been studied. Issuance of zero-coupon bonds would have a substantial impact on tuition replacement need projections, as much as \$1.3 million in fiscal year 1989. However, for zero-coupon bonds to be issued by the Board a change in the bond statute would be required. This topic is being discussed with the Banking Committee and is expected to be an issue brought before the Board in conjunction with determination of its 1988 legislative program.

Regent Harris asked whether the interest paid upon maturity of zero-coupon bonds is compounded. Director True responded that it is.

**MOTION:** Regent Harris moved to (1) approve a fiscal year 1989 tuition replacement appropriation request of \$18,765,800 and (2) receive a report on how the use of zero-coupon bonds could offset projected tuition replacement needs through 2001. Regent Williams seconded the motion, and it carried unanimously.

**REPORT ON LOTTERY RESEARCH AND DEVELOPMENT PROGRAM.** The Board Office recommended the Board (1) receive the report on the lottery funded Research

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and Development Award Program for fiscal years 1987 and 1988 and (2) direct the Board Office to work with the Department of Economic Development in a) advocating the maintenance of at least \$10 million in annual lottery funding for competitive research and development grants, and b) discouraging legislative earmarking of these funds beyond the original intent to assure Iowa State University of five years of Agricultural Biotechnology support.

On October 8, 1987, the Department of Economic Development Board awarded the balance of fiscal year 1987 Lottery Research and Development funds. The awards included four projects at Regent institutions and one project that was jointly sponsored by 27 private colleges and universities in Iowa. The projects approved for Regent institutions included microelectronics at Iowa State University for \$1 million, a drug technology program in the College of Pharmacy at the University of Iowa for \$650,000, an immunology endowment at the University of Iowa for \$500,000 and a biomedical engineering project at the University of Iowa for \$650,000.

The prospects for fiscal year 1988 Lottery Research Development Awards are somewhat diminished in that the appropriation has been reduced to \$7 million. Of this \$7 million, \$5 million has already been statutorily designated to provide continuing support of \$4.25 million for the Iowa State University Agricultural Biotechnology Program and projects at Iowa State University and the University of Northern Iowa which are appropriated respectively \$500,000 and \$250,000. The Board Office proposed that the Board support advocating at least \$10 million in lottery-supported research and development funds and discouraging statutory designation of projects to be funded (with the exception of the longstanding commitment to support Agricultural Biotechnology at Iowa State University).

MOTION:

Regent VanGilst moved to (1) receive the report on the lottery funded Research and Development Award Program for fiscal years 1987 and 1988 and (2) direct the Board Office to work with the Department of Economic Development in a) advocating the maintenance of at least \$10 million in annual lottery funding for competitive research and development grants, and b) discouraging legislative earmarking of these funds beyond the original intent to assure Iowa State University of five years of Agricultural Biotechnology support. Regent VanEkeren seconded the motion.

Regent Tyler reminded the Board members of an earlier meeting between Regents and representatives of the Lottery Research and Development Award Program regarding communications between the Board of Regents, Department of Economic

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Development and the Lottery Commission on their ranking of the Regents' priorities.

VOTE ON THE MOTION: The motion carried unanimously.

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

Regent Fitzgibbon stated the Banking Committee met the day before and held interviews with four of the six firms that responded to the proposal for investment advisory services. The firms interviewed by the Banking Committee were Wilshire Associates, California; Callan Associates, Inc., Chicago; Peat Marwick Main and Company, New York; and Statesman Investment Advisors, Inc., Des Moines. The committee was unanimous in the selection of Peat Marwick Main and Company and requested approval to negotiate a contract with that firm.

MOTION: Regent Fitzgibbon moved that Peat Marwick Main and Company be retained to provide investment advisory services. Regent Tyler seconded the motion.

Regent Williams asked whether there was a potential conflict of interest since Peat Marwick Main and Company was already performing phase one of the Organizational Audits. Regent Fitzgibbon responded that the Banking Committee had discussed that with the firm. The committee was assured that Mr. Carney would not be involved in that aspect; therefore, the committee did not believe there would be a conflict. Regent Tyler added that it might actually be helpful to the whole process. Regent Fitzgibbon said the Regents would not be paying for duplication because of Mr. Carney's services. He said this engagement would be a second phase of the organizational audit in the financial area.

VOTE ON THE MOTION: The motion carried unanimously.

Regent Fitzgibbon stated another item discussed by the Banking Committee was the selection of a firm for arbitrage rebate services. The Board's financial advisor, Springsted, Inc., suggested the Board authorize the Board Office to review the bids and select one of the five firms that submitted bids. Those five firms were Ernst & Whinney, Tennessee; Chapman & Cutler, Illinois; Peat Marwick Main and Company, Iowa; Ernst & Whinney, Arizona; and Alexander Programming Corporation, New York.

MOTION: Regent Harris moved to allow the Board's Executive Secretary to execute and sign an agreement for arbitrage rebate services with the approval of the Board President and Banking Committee Chairman. Regent Williams

seconded the motion, and it carried unanimously.

Regent Fitzgibbon stated the Banking Committee received a lengthy oral report from Peat Marwick Main and Company regarding audit compliance, cash management and investments, and organizational structure. The Banking Committee asked that a written report be furnished by the end of the month to be shared with the rest of the Board. He said that after reading the recommendations the Board can then take action at a later meeting.

Regent Fitzgibbon stated the treasurer of each institution presented a report to the Banking Committee. He told the institutional presidents and superintendents that the Banking Committee appreciated the reports which were thorough and well done. The Banking Committee members felt they had a good line of communication established with the treasurers.

The Banking Committee received a report on the November sale of \$15 million in bonds for the Iowa State University Recreation Project. Regent Fitzgibbon said the committee recommended the necessary resolution be put in place for the November sale.

Regent Fitzgibbon stated the Banking Committee received a report on the conversion to Generally Accepted Accounting Principles and would report to the Board at a later meeting.

Priorities of the Banking Committee which the members discussed included bonding policy, special schools business functions, and insurance coverage. Regent Fitzgibbon said the Board Office had accumulated a lot of good information which the committee was in the process of reviewing.

Regent Harris thanked whoever was responsible for a revitalization of the Banking Committee. He said it had been a long time since the committee had that kind or amount of activity.

Mr. Richey stated former President McDonald did quite a bit toward revitalizing the Banking Committee.

Regent Harris stated the Banking Committee presented an excellent report which helped the Board of Regents deal with heavy financial responsibilities. He expressed appreciation to Regent Fitzgibbon and the other Banking Committee members for the work, including the staff people who have done a tremendous job.

**INSTITUTIONAL ROADS PROGRAM.** The Board Office recommended the Board (1) approve the recommended 1988 program totaling \$720,000 for construction and engineering, and \$225,000 for maintenance costs; (2) approve the recommended Five Year Institutional Road Program for 1989-1993 totaling \$4,725,000; and (3) receive the list of identified, unfunded institutional road needs at the

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Regent institutions totaling \$12,244,000, and direct that these reports be forwarded to the Iowa Department of Transportation (IDOT).

The Institutional Road Program includes estimates of routine road maintenance and repairs at the institutions. The annual amount programmed for maintenance and repair is \$225,000, which is based on a three-year average of maintenance costs. The construction budget available for projects in calendar year 1988 is estimated at \$720,000. The total 1988 construction program, including maintenance, is estimated at \$945,000. The Regents' Institutional Road Program is developed to match the available allocation of the State Parks and Institutional Road Fund provided by the Iowa Department of Transportation.

The Regents Five Year Institutional Road Program anticipates spending \$4,725,000 for road construction and improvements for the years 1989-1993. The projects included in the Regents' Institutional Road Program represent the most urgent road resurfacing, reconstruction and improvement needs. Many of these projects have been identified for several years and are needed to preserve the system of streets and roads at the Regent institutions.

The Board of Regents Institutional Road Program also identified institutional road needs that cannot be met within the funding constraints of the six years of the program. Unmet construction needs among those programmed for the next six years total \$12,244,000.

For the 1988-1993 program the funds were allocated in the following manner:

SUI	\$1,722,000	39.86%
ISU	1,677,000	38.82%
UNI	<u>921,000</u>	<u>21.32%</u>
TOTAL	\$4,320,000	100.00%

Director True stated the special schools did not identify any road needs during the program period. He said the Institutional Road Program was prepared jointly by the Board Office and the institutions.

MOTION:

Regent VanEkeren moved to (1) approve the recommended 1988 program totaling \$720,000 for construction and engineering, and \$225,000 for maintenance costs; (2) approve the recommended Five Year Institutional Road Program for 1989-1993 totaling \$4,725,000; and (3) receive the list of identified, unfunded institutional road needs at the Regent institutions totaling \$12,244,000, and direct that these reports be forwarded

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to the Iowa Department of Transportation.  
Regent Williams seconded the motion, and it  
carried unanimously.

**FINAL ADOPTION OF REGENT MERIT RULE REVISIONS.** The Board Office recommended the Board approve final adoption of the Merit System rule revisions which were initially approved at the July 1987 Board meeting.

The Administrative Rules process requires final adoption of the rules following review by the Legislative Rules Committee and a public hearing. At a hearing before the Rules Committee on September 8 only minor changes in wording were suggested, which were then incorporated into the recommended revisions. No oral or written comments were received at, or subsequent to, the public hearing which was held on September 18, 1987.

**MOTION:**

Regent VanEkeren moved to approve final adoption of the Merit System rule revisions which were initially approved at the July 1987 Board meeting. Regent Fitzgibbon seconded the motion, and it carried unanimously.

**FINAL REPORT ON BOARD OFFICE BUDGET REQUESTS FOR FISCAL YEAR 1989.** The Board Office recommended the Board approve a Board of Regents office budget request for fiscal year 1989 of \$1,021,137.

In September a proposed budget request for the Board Office of \$1,018,875 was submitted for Board review. Fringe benefit calculations used in the September budget request were updated to correspond to more current projections for health insurance and long-term disability costs. These adjustments increased the Board Office budget recommendation to \$1,021,137, or \$2,262 more than was presented to the Board in September.

The Board Office fiscal year 1988 budget is \$852,617. Increases proposed for fiscal year 1989 are comprised of restoration of an Associate Director of Academic Affairs position, a small increase in Board member per diem days budgeted, program continuation costs, salary increases to meet Regent salary policy for fiscal year 1989, and funding for an extraordinary additional pay period. The last item occurs approximately once every ten years when twenty-seven pay periods rather than the normal twenty-six occur within a fiscal year.

**MOTION:**

Regent Williams moved to approve a Board of Regents Office budget request for fiscal year 1989 of \$1,021,137. Regent Fitzgibbon seconded the motion.

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Regent Tyler stated he wished to make it a matter of record that there are Regents who are dissatisfied with the present cap on the salary of the Executive Secretary.

**VOTE ON THE MOTION:** The motion carried unanimously.

**MOTION:** Regent Tyler moved that the Regents were unanimously dissatisfied with the present cap on the salary of the Executive Secretary. Regent Williams seconded the motion, and it carried unanimously.

President Pomerantz stated he would forward that information to the Governor's Office in the form of a letter.

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

President Pomerantz informed the Board of the Board Office resignations of Betty Stanley and Richard Runner, effective October 31 and November 4, 1987, respectively. He said Dr. Stanley is leaving for Iowa State University and Dr. Runner will be joining Illinois State University. President Pomerantz expressed the Board's appreciation for their significant efforts and loyal service, and wished them the best in their futures.

In addition to the two resignations the Board Office personnel register included a change of status for Barbara Briggie, Secretary IV, conversion to permanent status, October 15, 1987; and, a reclassification for Ann Sloan from Clerk I to Clerk II, \$12,438 per annum, and conversion to permanent status effective October 16, 1987.

**ACTION:** President Pomerantz stated the Board approved the Board Office personnel register as a consent item.

**NEXT MEETINGS SCHEDULE.**

October 21-22	Iowa State University	Ames
November 11-12	University of Northern Iowa	Cedar Falls
December 9-10	Iowa School for the Deaf	Council Bluffs
January 20, 1988	Iowa State University	Ames
February 17-18		Des Moines
March 23-34		Des Moines
April 19	University of Iowa	Iowa City
April 20	Iowa Braille and Sight Saving School	Vinton
May 25-26	University of Northern Iowa	Cedar Falls
June 22-23	Iowa State University	Ames
July 13-14	University of Iowa	Iowa City

**ACTION:** President Pomerantz stated there had been no changes in the meetings schedule from last month, and the schedule was received by general consent.

**CAPITAL IMPROVEMENTS BUDGET, FISCAL YEAR 1989 (CONTINUED).** President Pomerantz stated the Board Office had consulted with the institutions on the question of capital improvements priorities.

Mr. Richey suggested that President Curris could be satisfied by moving the priority position of the University of Northern Iowa planning request for the library addition to the level of the Engineering Building planning for University of Iowa. Further, the planning funds for the University of Iowa Business Project could be elevated likewise to address concerns previously expressed by President Pomerantz.

President Eaton stated that if that was the way the priorities would stand then he withdrew his indication that he agreed with the priorities list. He noted the deplorable condition of animal research facilities at Iowa State University and said they would be too low on the list.

Regent Fitzgibbon expressed concern that the ranking order decisions were being made too quickly. President Pomerantz stated projects were not listed on the sheet of priorities if they were not worthy. Regent Harris stated the past had shown that the amount of time the Regents spent on the priority list made little difference in the final outcome.

President Pomerantz reminded the members that they had to submit some kind of priority list to the legislature. He added that one of the priority issues that would be looked at by a study committee was planning and prioritizing of capital projects.

Regent Fitzgibbon related that before he became a member of the Board of Regents he attended a meeting of the Board during which they discussed for 45-50 minutes the funding of a particular Ph.D. degree program. He said the very next item for discussion was a \$65-\$70 million project which the Board discussed for 5-6 minutes. He said the Regents need to do a better job of assessing and understanding what they are dealing with.

Based upon the foregoing discussion Mr. Richey presented a revised capital budget request priority listing as follows:

<u>Priority Ranking</u>	<u>Project Amount</u>	<u>Project</u>	<u>Institution</u>
1	\$ 1,520	Fire and Environmental Safety	A11
2	11,100	Power Plant Addition	UNI

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<u>Priority Ranking</u>	<u>Project Amount</u>	<u>Project</u>	<u>Institution</u>
3	2,000	Agronomy Building Equipment	ISU
4	400	Recreation Building & Dormitory Remodeling (planning)	ISD
5	1,000	Engineering Building Addition (planning)	SUI
6	4,000	Livestock Units for Cattle and Swine Rsrch.	ISU
7	400	Library Building Addition (planning)	UNI
8	1,000	Business Administration Building (planning)	SUI
9	4,000	Water Treatment Plant Expansion	SUI
10	4,800	15 KV Electrical Substation L & Loop J	SUI
11	600	Pharmacy Building Addition (planning)	SUI
12	2,600	Wright Hall	UNI
13	2,000	Laboratory Animal Facilities	ISU
14	2,000	Electrical Interconnection	ISU
15	2,000	Water Pollution Control	ISU
16	500	Intensive Livestock Research Facilities (planning)	ISU
17	1,000	International Center (Old Law Center)	SUI
18	1,100	Maclean Hall Remodeling	SUI

The university presidents, special schools superintendents and Regents indicated their willingness to accept the revised priority ranking of capital budget requests as presented by Mr. Richey.

**MOTION:** Regent Fitzgibbon moved to approve the priority listing of capital requests for fiscal year 1989, as revised. Regent VanGilst seconded the motion, and it carried unanimously.

Regent Tyler reiterated that the Board of Regents needed to communicate to the Department of Economic Development, the Governor and the legislature the capital needs of the Regent institutions.

**EXECUTIVE SESSION.** President Pomerantz requested the Board enter into closed session pursuant to the Code of Iowa section 21.5(1)(c) to discuss a matter with counsel which is either in litigation or where litigation is imminent, and pursuant to 21.5(1)(j) to discuss the purchase of real estate where disclosure could reasonably be expected to increase the price for the property.

**MOTION:** Regent Tyler moved that the Board enter into executive session. Regent VanEkeren seconded the motion, and upon the roll being called, the following voted:

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

The Board having voted at least two-thirds majority resolved to meet in executive session beginning at 2:06 p.m. on October 21, 1987, and arose therefrom at 2:58 p.m. on that same date.

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 21, 1987.

**REGISTER OF PERSONNEL TRANSACTIONS.** The Board Office recommended the Board approve the register for the months of August and September, 1987.

The register included employees who met requirements for and who were approved by the institution for phased and early retirement as follows:

Phased Retirement

John J. Birch  
Wendle L. Kerr  
Howard Rogovin  
Katharine Bjorndahl

Early Retirement

Charles J. Imig	Betty Lacina
E. John Kottman	Wayne Lacina
Francis H. Sippy	Mildred Lavin
Ernest V. Zuber	Dordana Mason
Winston Reese	Robert W. Cryder
Doris Wilkinson	Doris Hughes
Viola Kuebler	

**ACTION:**

President Pomerantz stated the Board approved the register of personnel transactions for the months of August and September, 1987, as a consent item.

**APPOINTMENTS.** The Board Office requested the Board approve appointments of administrators, as follows:

1. PHILIP G. HUBBARD, Director of the Opportunity at Iowa Program, effective November 1, 1987, at the currently budgeted salary (Dr. Hubbard accepted this responsibility in addition to his duties as Vice-President for Student Services and Dean of Academic Affairs at the university);
2. NANCY BARCELO, Associate Director of the Opportunity at Iowa Program, effective November 1, 1987, salary of \$49,000 for the fiscal year;
3. CHRISTINE QUINN, Director of Summer Session, effective November 1, 1987, salary of \$45,000 for the fiscal year;
4. GARY C. FETHKE, Acting Chair of the Department of Marketing, College of Business Administration, effective October 23, 1987, salary of \$59,000 for the academic year;
5. ARTHUR H. MILLER, Director of Iowa Social Science Institute, for a three-year term ending June 30, 1990, salary of \$53,000 for the fiscal year;

6. FRED H. HARRIS, Associate Vice President and Director of Information Technology, effective October 22, 1987, salary of \$100,000 for the fiscal year; and
7. JENNIFER ROBINSON NIEBYL, M.D., Professor and Head, Department of Obstetrics and Gynecology, College of Medicine, effective May 1, 1988, salary of \$115,000 plus commutation fraction for the fiscal year.

President Remington called to the Board's attention that the affirmative action director would now report directly to the university president's office instead of reporting to the vice presidents for student services and academic affairs.

**MOTION:** Regent Harris moved to approve appointments of administrators, as presented. Regent VanEkeren seconded the motion, and it carried unanimously.

**ANNUAL REPORT OF FACULTY RESIGNATIONS.** The Board Office recommended the Board accept the annual report of resignations at the University of Iowa for the period July 1, 1986, through June 30, 1987.

The University of Iowa reported an unprecedented increase in faculty resignations in 1986-87. These resignations occurred in spite of the prospect of double digit salary increases for the 1987-88 year.

A total of 97 resignations were reported in the 1986-87 year, 24 more than the number reported last year, representing a 33 percent increase. Seventy (70) percent of the faculty members who resigned in 1986-87 accepted positions at other universities. The Colleges of Liberal Arts and Medicine showed the largest number and percentage of resignations. The largest percentage of collegiate faculty resigning was in the College of Business Administration where 12 faculty resigned.

Regent Williams expressed concern about the percentage of female faculty resignations. It appeared to her that the university is losing female faculty at a disproportionate rate and asked what the university could do to prevent that. Vice President Moll stated there is a fairly great turn over in the College of Nursing and speculated the reason could be that there are less tenured faculty in that college. Regent Williams noted that of the 97 faculty resignations only two were from the College of Nursing. She suggested the university may need to respond to things in that department that are encouraging female faculty resignations. Vice President Moll stated one reason for female faculty resignations was that spouses leave the area for employment reasons.

Regent Williams cautioned that universities nationwide are looking for qualified women faculty and will recruit the Regent universities' female faculty away.

President Remington stated the university is responding in the best way it can by addressing faculty salaries. He stressed that getting faculty salaries back up is important. He reminded the Board that he reported a year ago that last year's resignation report was the last good report they would be making for a long time. President Remington was concerned that the faculty loss had been particularly acute at senior faculty ranks which was up 85 percent. He said that established senior faculty members ordinarily do not seek change.

**ACTION:** President Pomerantz stated the Board accepted the annual report of resignations at the University of Iowa for the period July 1, 1986, through June 30, 1987, by general consent.

**PROFESSIONAL AND SCIENTIFIC CLASSIFICATION CHANGES.** The Board Office recommended the Board approve establishment of two new classifications as shown below and refer the request for a one pay grade increase for the Internal Auditor to the Banking Committee for review as part of its study of cash management practices.

<u>New Classification</u>	<u>Grade</u>
Technical Director, Division of Radiation Oncology	09 (\$24,015-\$38,780)
Optometrist	14 (\$35,680-\$57,635)

The university reported that the recommended new classification of Technical Director, Division of Radiation Oncology, was needed to consolidate supervision because of increased activity and technical personnel in the division. The recommended new class of Optometrist would facilitate the establishment of a Low Vision Clinic and a Contact Lens Clinic in the Department of Ophthalmology.

The university proposed a pay grade increase from 10 (\$26,000-\$42,370) to 11 (\$28,135-\$45,850) for the classification of Internal Auditor in order to recognize the increased scope of the position. Because the Banking Committee is currently involved in a study of cash management practices that could affect the responsibilities of internal auditors the Board Office felt it would be appropriate to refer the university's request to the Banking Committee for review as a part of that study.

Associate Vice President Small stated the Board Office agreed with the university on a change in the recommended action. The revised recommended action read:

That the Board approve establishment of two new classifications as shown below and defer the request for a one pay grade increase for the Internal Auditor pending completion of the Banking Committee study of cash management practices.

President Pomerantz asked how often the university reviews the employee classifications. Associate Vice President Small responded that an overall review is performed every five years. In the interim the university occasionally reviews particular sections (i.e., the computer classes). She said that when the consultants were asked to do the overall review they felt the university's classification system was pretty much up to date.

**MOTION:**

Regent Williams moved to approve establishment of two new classifications as presented and defer the request for a one pay grade increase for the Internal Auditor pending completion of the Banking Committee study. Regent Harris seconded the motion, and it carried unanimously.

**REGISTER OF CAPITAL IMPROVEMENT TRANSACTIONS WITH SEMI-ANNUAL REPORT ON STATUS OF CAPITAL PROJECTS.** The Board Office recommended the Board approve the Register of Capital Improvement Transactions with semi-annual report on status of capital projects.

**APPROVAL OF PROGRAM STATEMENTS**

Laser Laboratory Building Program

The university completed preparation of a program statement on this project which outlines the requirements for an interdisciplinary research center in laser science. In May, the Board authorized the appointment of Herbert Lewis Kruse Blunck as project architect. The Herbert firm was appointed in association with Frank O. Gehry.

The 135,000 square foot structure will house laboratory and office space for faculty involved in laser research from the Departments of Chemistry, Physics, Astronomy, and the College of Engineering. The facility will be the location for the three endowed professors in Laser Science. The site for the facility is immediately north of the Iowa Memorial Union along the Iowa River. The building will contain 81,800 net assignable square feet. The building project will include required mechanical and electrical equipment to support the research activity.

PROJECT DESCRIPTIONS AND BUDGETS

University Hospitals and Clinics--Psychiatric Pavilion Replacement Facility \$6,768,055

This project will construct space for adult and child psychiatry patient care facilities south of the Colloton Pavilion. The Psychiatric Hospital currently occupies space constructed in 1919. The present Psychiatric Hospital no longer meets patient care requirements and is not in conformance with fire and life safety codes.

In September the Board approved the appointment of Hansen Lind Meyer, P.C., Iowa City, Iowa, as project architect. Funding for the project will be from University Hospitals building usage funds. The University Hospitals estimates construction costs for all three phases of this project is \$17.5 million.

University Hospitals and Clinics--Patient and Visitors Activities Center \$570,362

This project involves completing 6,900 square feet of shelled-in space on the eighth level of the Carver Pavilion. The space will provide a central location for patient support programs and activities, including a patient library and education center. The construction will construct a multi-use auditorium for presentations, patient education and arts activities.

\* \* \* \* \*

The university presented 3 new projects that will be initiated in the coming months with budgets of less than \$250,000. The titles, source of funds and estimated budgets for the projects were listed in the register prepared by the university.

\* \* \* \* \*

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

Human Biology Research Facility--Administration Wing \$2,500,000  
Source of Funds: Self-liquidating revenue bonds issued by  
the University of Iowa Facilities  
Corporation

The original planning of the Human Biology Research Facility included an administrative wing to house the dean's office and other administrative support activities of the College of Medicine. During the planning process the administrative wing was deleted in favor of an additional floor of research space.

The university received favorable construction bids on the project and adequate funds are now available in the project budget to construct the administrative space for the college. The university requested permission to proceed with planning on the administrative wing of the Human Biology Research Facility. The project is expected to cost approximately \$2,500,000 and will contain 19,000 gross square feet. The College of Medicine's administrative offices are currently located in an engineered, metal-clad building constructed in 1971. The college's offices were to be located only temporarily in this structure.

After completion of the Human Biology Research Facility, which is currently under construction, the administrative offices will be relocated temporarily from their current location to the laboratory facility. This will enable demolition of the existing engineered, metal-clad building and construction of the new administrative wing.

In separate action the university requested permission to amend the architectural agreement with Hansen Lind Meyer to include design of the proposed administrative wing. The proposed amendment will be negotiated and the university will return to the Board for approval after completion of the negotiations.

\* \* \* \* \*

The university resubmitted the project description on the following project for the Board's approval.

15KV Electrical Substation L--Phase I

Last month the university presented a project description and budget for this \$3.8 million project. The work includes construction of a new electrical substation on the southern edge of the campus and includes construction of a substation, underground duct banks, electrical vaults and high voltage electrical cabling. At that time the university requested permission for university personnel to install the high voltage electrical equipment and cabling. Last month the university estimated the cost of labor for that portion of the project at \$130,000.

The university reviewed the project and now estimated the cost for university personnel to install the electrical equipment and high voltage electrical cabling will be no more than \$49,000. The required equipment and material will be purchased through competitive quotation and purchase orders.

The Board Office notified interested contracting associations of the university's request to use institutional personnel on a construction project over \$25,000. Jared A. VanHorn, Secretary and Manager of the Iowa Chapter of the National Electrical Contractors Association, raised concern about the

university's use of institutional personnel rather than using outside electrical contractors.

The construction project is included in the Regents' 1989 capital request. Last month the Board approved the project description and budget. Approval of the university's use of institutional personnel for a portion of the construction work was deferred at that time. This month the Board was asked to act on the university's request to use institutional personnel for up to \$49,000 worth of installation of high voltage electrical equipment and cabling. The Board Office recommended approval of the request.

#### CONSULTANT AGREEMENTS

Psychiatric Pavilion Replacement Facility--Phase A \$368,137  
Hansen Lind Meyer, Inc., Iowa City, Iowa

The university requested approval of Hansen Lind Meyer to provide architectural services for Phase A of the Psychiatric Pavilion Replacement Facility. The fee is 5.5 percent of the project budget which the Board Office stated appeared appropriate for a project of this type and size.

#### CONSTRUCTION CONTRACTS

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

Chilled Water Plant Parking Structure \$5,136,000  
Award to: Mid-America Construction Company of Iowa,  
Iowa City, Iowa  
(6 bids received)

University Hospitals and Clinics--Neuroradiology  
Procedure Suite \$1,015,300  
Award to: Merit Construction Company, Cedar Rapids, Iowa  
(4 bids received)

Finkbine Golf Course--Subsurface Irrigation System \$297,000  
Award to: Midwest Irrigation Company, Dubuque, Iowa  
(3 bids received)

The award on this project was made to the second low bidder, Midwest Irrigation Company of Dubuque, Iowa. The apparent low bidder, Leibold Irrigation Company, East Dubuque, Illinois, did not comply with the project specifications requiring experience of five comparable irrigation system installations in the last three years. The lowest responsible bidder, Midwest Irrigation, fully met the experience requirement and provided the required manufacturer's letter confirming the firm as an approved installer.

Midwest's bid was \$7,000 over Leibold's bid and was within the project budget.

#### CHANGE ORDERS TO CONSTRUCTION CONTRACTS

Recreation Building--Structural Repair Increase \$33,750  
Merit Construction Company, Cedar Rapids, Iowa

The university requested approval of Change Order #3 on this construction contract. The change order involves extension of the contract time of the contractor resulting from replacement of the additional roof beams. The new net amount of the Merit Construction Company contract, including Change Order #3, is \$2,434,418.

The university presented a supplemental change order request for this same project at the Board meeting of an amount not to exceed \$80,000. The change order was for repair or replacement of buttress cable. It was recently determined that the condition of the cables is questionable. Spot checks at several locations revealed that water has penetrated the wrapping on the cables and caused cable deterioration. A laboratory analysis is underway to determine if the cable is sufficiently weakened to require replacement. Regardless of that determination the project engineers recommended that the cable be uncovered and replaced or encased in concrete to avoid further deterioration. Associate Director Runner stated the university will negotiate with the contractor the exact amount of the change order.

Regent Tyler said he was beginning to wonder about someone's judgment in the selection of construction contractors for this project. He said the Board is asked to approve change orders time after time. He was also concerned that the Board wished to sue the original contractor but they were gone and the Board is left holding the bag. Regent Tyler said this project has been a nightmare in terms of determining the extent of the damage. Each phase has torn away more and it has gone from bad to worse.

President Pomerantz asked that the university architect provide the Board with a comprehensive report on the project for next month's meeting. Vice President Phillips stated the university will provide a status report and an explanation of why they did not find out the total extent of damages in the first place.

\* \* \* \* \*

#### SEMI-ANNUAL REPORT ON CAPITAL PROJECT STATUS

The University of Iowa presented a status report on all ongoing capital projects with budgets over \$250,000. The university indicated that 42 capital projects with a combined budget of \$149 million are presently underway.

**MOTION:**

Regent Williams moved to approve the Register of Capital Improvement Transactions with semi-annual report on status of capital projects, as presented. Regent VanEkeren seconded the motion, and it carried unanimously.

**LEASE OF PROPERTY.** (A) Technology Innovation Center, Oakdale Campus Educational Concepts, Ltd. and (B) Thomas R. Alberhasky. The Board Office recommended the Board approve leases as follows: with EDUCATIONAL CONCEPTS, LTD. (landlord, renewal) for their use of approximately 550 square feet of office space in the Technology Innovation Center (TIC) on the Oakdale Campus for a term of six months commencing November 1, 1987, and ending April 30, 1988, at a rent of \$1,650 for the term, including utilities and services; with THOMAS R. ALBERHASKY (tenant, renewal) for the use of 7,614 square feet of warehouse space located at 620 South Madison Street, Iowa City, together with adjacent parking in Block 13, County Seat Addition to Iowa City, for a term of two years commencing November 1, 1987, and ending October 31, 1989, with the option to renegotiate an additional two year term, at a rent of \$23,844 per year; and with THOMAS R. ALBERHASKY (tenant, renewal) for the use of 1,400 square feet of heated storage space at 850 South Capitol Street, Iowa City, for a term of two years commencing November 1, 1987, and ending October 31, 1989, with an option to renegotiate for an additional one year period, at a rent of \$3,180 per year.

EDUCATIONAL CONCEPTS, LTD. -- This tenant meets the university's requirements for assistance. The tenant will use the space for offices, applied research, product development, and new business marketing. They assist clients in preparing successful marketing plans and materials. This lease is calculated at \$6.00 per square foot per year, and includes utilities and services.

THOMAS R. ALBERHASKY -- The university uses approximately 5,000 square feet of this warehouse space for storage of analogue and digital scientific tapes belonging to the Department of Physics and Astronomy. The remaining approximately 2,614 square feet is used by the university for general storage. The lease is calculated at \$3.13 per square foot per year. This represents an increase of 1.4 percent over the previous lease. The university pays utilities for this warehouse facility.

THOMAS R. ALBERHASKY -- The university uses this space to store merchandise for resale through the mail order and retail store operations of the Departments of Intercollegiate Athletics. The lease is calculated at \$2.27 per square foot per year. The university pays utilities. The cost of this lease is recovered by the Departments of Intercollegiate Athletics through the sale of the merchandise. There is no increase in the cost of this lease compared to the previous lease.

**MOTION:**

Regent Williams moved to approve leases as follows: with EDUCATIONAL CONCEPTS, LTD. (landlord, renewal) for their use of approximately 550 square feet of office space in the Technology Innovation Center (TIC) on the Oakdale Campus for a term of six months commencing November 1, 1987, and ending April 30, 1988, at a rent of \$1,650 for the term, including utilities and services; with THOMAS R. ALBERHASKY (tenant, renewal) for the use of 7,614 square feet of warehouse space located at 620 South Madison Street, Iowa City, together with adjacent parking in Block 13, County Seat Addition to Iowa City, for a term of two years commencing November 1, 1987, and ending October 31, 1989, with the option to renegotiate an additional two year term, at a rent of \$23,844 per year; and with THOMAS R. ALBERHASKY (tenant, renewal) for the use of 1,400 square feet of heated storage space at 850 South Capitol Street, Iowa City, for a term of two years commencing November 1, 1987, and ending October 31, 1989, with an option to renegotiate for an additional one year period, at a rent of \$3,180 per year. Regent Tyler seconded the motion, and upon the roll being called, the following voted: AYE: Fitzgibbon, Harris, Pomerantz, Tyler, VanEkeren, VanGilst, Williams.  
NAY: None.  
ABSENT: Duchen, Greig.

**TRUST ADMINISTRATION RESOLUTIONS.** The Board Office recommended the Board adopt the resolutions designating and empowering Ray B. Mossman, Special Assistant to the Vice-President for Finance and University Services -- a) to act as co-trustee and agent on behalf of the university in the matter of the Lawrence R. Fairall Testamentary Trust, and b) to act as agent on the university's behalf in the matter of the Margaret Amy Slawson Estate.

The Board was asked to designate Ray Mossman as Special Assistant to the Vice President for Business and Finance. Mr. Mossman, who retired as Business Manager/Treasurer of the university, had represented the Board's and university's interests in the Fairall Trust and the Estate of Margaret Slawson. His retirement left a gap in this representation. The university wished for him to continue in these responsibilities.

**MOTION:**

Regent VanEkeren moved to adopt the resolutions designating and empowering Ray B. Mossman, Special Assistant to the Vice-President for Finance and University Services -- a) to act as co-trustee and agent on behalf of the university in the matter of the Lawrence R. Fairall Testamentary Trust, and b) to act as agent on the university's behalf in the matter of the Margaret Amy Slawson Estate. Regent Harris seconded the motion, and upon the roll being called, the following voted:  
AYE: Fitzgibbon, Harris, Pomerantz, Tyler, VanEkeren, Williams.  
NAY: None.  
ABSENT: Duchen, Greig, VanGilst.

**BUDGET CEILING ADJUSTMENT.** The Board Office recommended the Board approve a budget ceiling increase of \$995,895 in the fiscal year 1988 budget for the University of Iowa General University.

An increase in tuition revenues resulted from the university experiencing larger fall enrollments than projected. The increased tuition receipts will be used to support costs of instruction for 358 additional students and will be designated for instruction-related remodeling and repair projects, instructional equipment and additional instructional expenses.

**MOTION:**

Regent Tyler moved to approve a budget ceiling increase of \$995,895 in the fiscal year 1988 budget for the University of Iowa General University. Regent Harris seconded the motion, and it carried unanimously.

**MODIFIED FLEXIBLE BENEFITS PROGRAM.** The Board Office recommended the Board approve the University of Iowa's Modified Flexible Benefits Program for implementation on or about January 1, 1988.

The university requested the Board approve a modified flexible benefits program. The program provides a spending account for employees to establish with pre-tax dollars and provides for the employee's contribution of the employee's share of certain group insurance premiums to be tax sheltered. The spending account is to provide for payments of certain types of dependent care. Payments from the account are made only after the employee has sufficient dollars in the account to pay for the service. Employees forfeit any unexpended funds at the end of each calendar year.

The university reported this will be a benefit both by increased morale and in recruiting new employees for the groups for which the benefit is

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available. The program will be available to faculty, institutional administrators, professional and scientific staff, and supervisory staff in the Regents Merit System.

MOTION:

Regent Williams moved to approve the University of Iowa's Modified Flexible Benefits Program for implementation on or about January 1, 1988. Regent Tyler 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 Iowa. There were none.

## IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, October 21, 1987.

**RATIFICATION OF ACTIONS IN REGISTER OF PERSONNEL CHANGES FOR SEPTEMBER 1987 INCLUDING EARLY RETIREMENT REQUESTS.** The Board Office recommended the Board approve the register for the month of September 1987.

The register included employees who met requirements for and who were approved by the institution for early retirement as follows:

Dale Larson  
A. Dare McGilliard  
Patricia Pearson

**ACTION:** President Pomerantz stated the Board approved the register for the month of September 1987, as a consent item.

**REQUEST FOR APPROVAL OF ADMINISTRATIVE REAPPOINTMENT.** The Board Office recommended the Board approve the appointment of EVAN R. FIRESTONE, Professor and Chair, Department of Art & Design, effective July 1, 1988, through June 30, 1993, salary as budgeted.

President Eaton stated the university had distributed a supplemental request for an administrative appointment at the beginning of this meeting. The request was for the following appointment:

Appointment of Elizabeth C. Stanley as Director of Iowa State University's Institutional Research, effective November 1, 1987, salary \$53,000.

**MOTION:** Regent VanEkeren moved to approve the reappointment and the supplemental appointment, as presented. Regent Williams seconded the motion, and it carried unanimously.

**ACCEPTANCE OF REPORT OF RESIGNATIONS.** The Board Office recommended the Board accept the annual report of resignations at Iowa State University for the period July 1, 1986, through June 30, 1987.

Iowa State University reported a substantial decrease in the number of faculty resignations in 1986-87. There were 43 resignations in 1986-87 and 61 in 1985-86. This represents a decrease of 30 percent or 18 resignations

from the previous year. There is an increase of resignations in the senior ranks. This loss of the university's senior faculty is a matter of Board Office concern.

The Board Office reported the percentage of females resigning has decreased from 24 percent last year to 16 percent this year. This is a positive trend in terms of the institutions' affirmative action plans.

Vice President McCandless stated there had been a significant reduction in the number of resignations. He said the major reduction was in the assistant professor ranks.

**ACTION:** President Pomerantz stated the Board accepted the annual report of resignations at Iowa State University for the period July 1, 1986, through June 30, 1987, by general consent.

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

#### APPROVAL OF PROGRAM STATEMENTS

##### Meats Laboratory Addition

The university completed preparation of a program statement on this project which outlines the requirements for an addition to the Meats Laboratory. This project was previously reported as the Addition for Meat Irradiation Technology Center. The addition will house a demonstration facility for the operation of a meat irradiation facility. The center will be a cooperative venture with the U.S. Department of Energy.

The project will provide 19,000 net square feet of new space, including chemistry and microbiology laboratories, support facilities and the irradiator. The university estimated the construction portion of the project is \$4.6 million and the total project cost is \$8.7 million. The university has completed the program stage of the project. Continuation of the project beyond this stage is contingent upon finalization of the funding details.

##### Molecular Biology Building

The university completed preparation of a program statement on this project which outlines the requirements to house the university's biotechnology efforts, including the Departments of Biochemistry, Biophysics/Genetics, and an interdisciplinary molecular biology center. The project will provide approximately 105,000 net square feet of space in a building of approximately 195,000 gross square feet, a ratio of only 53.8 percent net to gross.

For university buildings, a net/gross ratio of 60 percent is optimal. This means that 60 percent of building space is available for assignment and use by the building occupants. Hallways, stairs, restrooms and the building structure such as walls are excluded from the net assignable square feet. A net to gross ratio of 60 percent is more difficult to achieve in research laboratory buildings like the Molecular Biology Building. This is because additional mechanical space must be devoted to distribute the utility services to laboratories throughout the building.

The architectural firm of Hansen Lind Meyer, Iowa City, Iowa, is project architect and assisted in preparation of the program.

#### PROJECT DESCRIPTIONS AND BUDGETS

The university submitted one new project for approval of the Board.

Utilities--Coal Rail Delivery Modifications \$550,000  
Source of Funds: Utility Repairs

This project involves necessary modifications to the rail unloading facilities of the university's power plant in order to accommodate shipment of coal by train. The project includes grade crossing signals on Elwood Drive and upgrades the track on the university property, including a new switch and other modifications associated with dust collection and safety.

The need for the project is associated with the university's taking bid on a fuel supply for the new circulating bed boiler. Bidders may want to ship coal to the university by rail. In order for the rail shipments to be received, the university must upgrade its rail loading facilities. The project will proceed only if the rail shipment option is selected by the university after economic analysis of the bids.

\* \* \* \* \*

The university presented one new project and revised budgets on four projects previously approved by the Board, with budgets of less than \$250,000. The title, source of funds and estimated budget for each project was listed in the capital register prepared by the institution.

#### CONSULTANT AGREEMENTS

##### Amendments:

Utilities--Replace Steam Generators No. 1 & 2 \$100,000  
Burns & McDonnell Engineering Company, Kansas City, MO  
(Increase in Compensation)

The university requested approval of an amendment to the agreement with Burns & McDonnell for additional services associated with additional requirements imposed by the United States Environmental Protection Agency.

The original budget for obtaining the required permit from the U.S. Environmental Protection Agency office in Kansas City was exceeded because of additional requirements imposed by the EPA. The circulating fluidized bed boiler purchased by the university was new technology and had never been permitted by the Kansas City office of the EPA. Therefore, a series of unusual requirements were imposed by the EPA in order for the university to obtain the required permit.

In addition, during the permitting process the EPA adopted new regulations for industrial size boilers. These new regulations required additional manhours by the engineering firm to meet the requirements. None of these requirements were included in the original contract budget.

The fixed maximum for the consulting agreement increases to \$2,650,000. The amendment does not require an increase in the project of \$30,425,000. The overall project is funded by a combination of utility system revenue bonds and utility repair funds, investment earnings on bond proceeds and overhead reimbursement for use of facilities.

#### CONSTRUCTION CONTRACTS

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

<u>Utilities--Replace Steam Generators No. 1 &amp; 2-- Power Wiring</u>	<u>\$1,291,500</u>
Award to: Meisner Electric, Inc., Newton, Iowa (2 bids received)	

<u>The Durham Center--Electrical Conduit</u>	<u>\$24,240</u>
Award to: Devereaux Electric, Ames, Iowa (3 bids received)	

#### ACCEPTANCE OF COMPLETED CONSTRUCTION CONTRACTS

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

<u>Utilities--Replace Steam Generators No. 1 &amp; 2--Chimney</u>
Commonwealth Dynamics, Inc., Norwood, MA

Gilman Hall Renovations--Phase 2--Asbestos Removal  
Capital Indemnity Corporation, Madison, WI

Friley Hall Renovation--Phase 5--Wardrobes  
Leland Woodworks, Leland, Iowa

Elevators  
Schumacher Elevator Company, Denver, Iowa

Doors, Frames and Door Hardware  
Kurtz-Walsh Builders Hardware Company, Des Moines, Iowa

Fire Protection  
Midwest Automatic Fire Sprinkler Company, Des Moines, Iowa

#### FINAL REPORTS

The university presented final reports on six construction projects. The final reports on each project have been filed with the Board Office. The university indicated that the final accounting of the funds for each of the six projects was in order.

Elwood Drive Extension--Sixth Street Relocation

Curtiss Hall--General Remodeling

Friley Hall--West Dining Area Renovation

Jack Trice Field--Replace Artificial Turf

WOI-Satellite Uplink and Downlink

Oak and Linden Halls--Air Conditioning and Chilled Water Extension

#### SEMI-ANNUAL REPORT ON PROJECT STATUS

The university presented a status report on all ongoing capital projects with budgets over \$250,000. The university reported that 24 capital projects with a combined budget of \$146 million are presently underway.

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

**RURAL CONCERN HOTLINE LEASE AGREEMENT.** The Board Office recommended the Board approve a lease with United Way of Des Moines for the university's use of approximately 1,027 square feet in the United Way Human Service Campus at

Ninth and Enos Streets in Des Moines, commencing on November 1, 1987, (or as soon thereafter as practicable) and ending June 30, 1988, at a rent of \$838.72 per month.

While the lease was in order the Board Office recommended that one clause be stricken. The clause provides that the Board will accept responsibility for real estate taxes levied against the building if any activity in the space leased by the Board causes the building to be placed on the tax rolls. The university's Extension Office agreed with the Board Office that this change should be made.

Vice President Madden stated the Rural Hotline is operated by the university's Extension Service.

**MOTION:**

Regent Fitzgibbon moved to approve a lease with United Way of Des Moines for the university's use of approximately 1,027 square feet in the United Way Human Service Campus at Ninth and Enos Streets in Des Moines, commencing on November 1, 1987, (or as soon thereafter as practicable) and ending June 30, 1988, at a rent of \$838.72 per month. Regent Tyler seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: Duchen, Greig, VanGilst.

**SECURITY PERSONNEL - DESIGNATIONS AS SPECIAL OR TEMPORARY SPECIAL SECURITY OFFICERS.** The Board Office recommended the Board approve the appointments of Robert Bowers and Raymond Nicol to regular status as special security officers and Robert Fey and Joseph Wehner as temporary special security officers.

**ACTION:**

President Pomerantz stated the Board approved the appointments of Robert Bowers and Raymond Nicol to regular status as special security officers and Robert Fey and Joseph Wehner as temporary special security officers by general consent.

**AMENDMENT NUMBER ONE TO THE ARTICLES OF INCORPORATION OF ISU BROADCASTING CORPORATION.** The Board Office recommended the Board approve Amendment Number One of the Iowa State University Broadcasting Corporation Articles of Incorporation.

The Board was requested to approve a change in the Iowa State University Broadcasting Corporation Articles of Incorporation identical to the change approved in July to the corporation Bylaws. The change in the Bylaws approved by the Board in July included revised indemnification provisions for directors, officers and employees of the corporation. That change was authorized so as to conform to corporate indemnification law changes enacted by the General Assembly and approved by the Governor this year.

**MOTION:**

Regent Williams moved to approve Amendment Number One of the Iowa State University Broadcasting Corporation Articles of Incorporation. Regent Tyler seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: Duchon, Greig, VanGilst.

**WOI LEASE ASSIGNMENT.** The Board Office recommended the Board approve the assignment of its lease with ALAN ZUCKERT for the use of ground floor space in the building at 2111 Grand Avenue, Des Moines, for the period July 1, 1987, to July 31, 1989, with any extensions of the existing lease also being subject to this assignment, for the sum of one dollar and other good and valuable consideration, including the promise of the assignee (Iowa State University Broadcast Corporation) to comply with all of the duties and obligations of the university and the Board in the matter of the lease.

The university and Board have transferred or are in the process of transferring the tangible assets of WOI-TV to the purchaser, Iowa State University Broadcasting Corporation. One of the items which it is desirable to transfer to the new corporation is the lease the Board has with Alan Zuckert for the Des Moines location of WOI-TV. This lease assignment will accomplish the transfer consistent with the sale of assets which the university and Board entered into with Iowa State University Broadcasting Corporation.

**MOTION:**

Regent Tyler moved to approve the assignment of its lease with ALAN ZUCKERT for the use of ground floor space in the building at 2111 Grand Avenue, Des Moines, for the period July 1, 1987, to July 31, 1989, with any extensions of the existing lease also being subject to this assignment, for the sum of one dollar and other good and valuable consideration, including the promise of the assignee (Iowa State University Broadcast Corporation) to comply

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with all of the duties and obligations of the university and the Board in the matter of the lease. Regent Williams seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: Duchen, Greig, VanGilst.

**INTERNATIONAL TRADE CENTER LEASE OF SPACE.** The Board Office recommended the Board approve a lease with I.T.C.I. (INTERNATIONAL TRADE CENTER LIMITED PARTNERSHIP) for the university's use of approximately 1,118 square feet of office space in the building located at 312 Eighth Street, Des Moines, commonly known as Suite 240, on the skywalk level of the International Trade Center, for a term of 34 months commencing December 1, 1987, and ending September 30, 1990, at a rent of \$13,416 per year, with the university retaining the right to terminate the lease after eighteen months by paying a six-month rent penalty.

Last month the Board approved a lease for the benefit of the university with the International Trade Center Limited Partnership, hereinafter I.T.C.I., to provide the university with space for part of its international program efforts. At that time the university requested permission to lease up to 2,000 square feet of space for this purpose. The lease approved is, in fact, for 1,697 square feet of space in the Trade Center.

The university has been negotiating with the federal government to secure a grant through the U.S. Department of Agriculture for expansion of this international effort. The university reported that the grant has now been received in the amount of \$1.94 million. The grant is for the establishment of the International Trade Development Center. While this aspect of the university's international effort was identified by the university last month, it was at that time speculative and space for this purpose was not requested. Now that the grant has been received the university has negotiated with the Greater Des Moines Area Chamber of Commerce Federation for their participation in the Development Center. Because of the staff that the Chamber Federation will assign to this project, more space is needed than was anticipated.

The lease is calculated at \$12 per square foot per year and provides that the tenant will pay for electricity, telephone, interior maintenance, and a prorated share of property taxes, skywalk security and common area utilities.

The university will strike that portion of the proposed lease which states the lease is for three years as the term is less than three years. The university reported the term of the lease corresponds to the length of the federal grant which will pay for the lease.

**MOTION:**

Regent Fitzgibbon moved to approve a lease with I.T.C.I. (INTERNATIONAL TRADE CENTER LIMITED PARTNERSHIP) for the university's use of approximately 1,118 square feet of office space in the building located at 312 Eighth Street, Des Moines, commonly known as Suite 240, on the skywalk level of the International Trade Center, for a term of 34 months commencing December 1, 1987, and ending September 30, 1990, at a rent of \$13,416 per year, with the university retaining the right to terminate the lease after eighteen months by paying a six-month rent penalty. Regent Williams seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: Duchen, Greig, VanGilst.

**RESOLUTIONS TO ISSUE BONDS FOR RECREATION FACILITY PROJECT.** The Board Office recommended the Board adopt a "Resolution authorizing the Executive Secretary to fix the date or dates for the sale of up to \$14.7 million Recreational Facility Revenue Bonds, Series I.S.U. 1987, and scheduling a public hearing on the issuance of said bonds.

In July 1987 Iowa State University briefed the Board on progress of planning for a recreation/athletic facility. The facility is to be used jointly by recreation and the Intercollegiate Athletic Department. The Athletic Department will be responsible for payment of approximately 32.5 percent of the project cost. The Athletic Department's percentage is based on the share of the building devoted exclusively to their use and their calculated proportional use of the remaining portion of the building. The Athletic Department will provide the required funds from ticket revenues, television receipts, student fees or other available resources.

The schematic design for the project was approved by the Board in March 1987. Bussard Dikis Associates is project architect.

The university has been working with the Board Office, the Board's financial advisor and bond counsel in structuring the financing for the facility. Under current plans, the Board will be requested at the November meeting to issue and sell the bonds. The action recommended this month set in motion the proposed sale at the November meeting, while providing the necessary flexibility to alter the sale schedule, if that should become necessary.

The bonds will be dated December 1, 1987, with first interest payments due July 1, 1988, and the first principal payments July 1, 1990. The bonds will be issued as serial bonds with the last bond maturing in July 2009.

Approval of the resolution set in the motion the sale of up to \$14.7 million in Recreational Facility Revenue Bonds for Iowa State University. The sale date, if different than the November Board meeting, would be established with approval of the Board President.

MOTION:

Regent VanEkeren moved to adopt a "Resolution authorizing the Executive Secretary to fix the date or dates for the sale of up to \$14.7 million Recreational Facility Revenue Bonds, Series I.S.U. 1987, and scheduling a public hearing on the issuance of said bonds. Regent Harris seconded the motion, and upon the roll being called, the following voted:

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

NAY: None.

ABSENT: Duchon, Greig, VanGilst.

Vice President Madden thanked Associate Director Runner, on behalf of the three universities and the special schools, for all the work he has done for the Regent institutions. He said Mr. Runner has made their jobs a lot easier.

President Pomerantz thanked Iowa State University officials for their hospitality and graciousness over the last two days.

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

## UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday, October 21, 1987.

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

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

**ANNUAL REPORT OF RESIGNATIONS.** The Board Office recommended the Board accept the annual report on resignations at the University of Northern Iowa for the period July 1, 1986, through June 30, 1987.

Seventy-two (72) percent of faculty resignations in 1986-87 were to accept a position at another university. The largest proportion of resignations was in the rank of associate professor.

**ACTION:** President Pomerantz stated the Board accepted the annual report on resignations at the University of Northern Iowa for the period July 1, 1986, through June 30, 1987, by general consent.

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

### PROJECT DESCRIPTIONS AND BUDGETS

The university submitted a revised budget on a project previously approved by the Board.

<u>Power Plant Replacement--Power Plant No. 1,</u>	
<u>Phase I--Utilities Relocation</u>	<u>\$572,700</u>
Source of Funds: Building Repairs and Coal-Fired	
Boiler Replacement and Auxiliaries	

Bids were received on September 29, 1987, for the initial phase of the project which involves relocation of existing utilities near Power Plant No. 1. The low bid exceeded the construction portion of the project budget. The university requested approval of a revised budget which is an increase of \$47,700. Source of funds for the increase in the budget is from building repair funds.

CONSULTANT AGREEMENTS

Power Plant Replacement--Power Plant No. 1;  
Phase II--Demolition \$24,000  
Iowa Environmental Services, West Des Moines, Iowa  
(Asbestos Removal Specifications)

Sega, Inc., of Stanley, Kansas, was appointed in September as project engineer for this phase of the Power Plant Replacement project. A separate consulting contract for removal of asbestos-contaminated material is necessary because Sega, Inc., is not certified for this work.

Proposals were solicited from three asbestos abatement consulting firms and, based on review of the proposals submitted, the university recommended appointment of Iowa Environmental Services for removal of the asbestos-contaminated materials. The work includes initial site surveys and technical specifications, and air quality monitoring during demolition of Power Plant No. 1.

Power Plant Replacement--Power Plant No. 2,  
Phase I--Boiler \$650,000  
Sega, Inc., Stanley, Kansas  
(Specifications and Design)

Proposals were solicited from eight engineering firms. The university reviewed proposals and three firms were interviewed on September 24, 1987. The university requested approval for the selection of Sega, Inc., as the engineering consultant for the boiler design phase of the Power Plant Replacement project. Sega currently provides engineering consulting services on the demolition of Power Plant No. 1.

CONSTRUCTION CONTRACTS

The following contract was awarded by the Executive Secretary on behalf of the Board.

Power Plant Replacement--Power Plant No. 1,  
Phase I--Utilities Relocation \$352,700  
Award to: Young Plumbing and Heating Company, Waterloo, Iowa  
(2 bids received)

This phase of the project involves demolition of the existing Power Plant No. 1. The contract award is within the engineer's estimate of the construction cost.

SEMI-ANNUAL REPORT ON CAPITAL PROJECT STATUS

The University of Northern Iowa presented its status report on all ongoing capital projects with budgets over \$250,000. The university indicated that eight capital projects with a combined budget of \$42 million are presently underway.

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

President Curris stated he was looking forward to the Regents' visit to the University of Northern Iowa next month. University officials were planning a dinner in special recognition of Ed Voldseth as he retires after 15 years of service to the Regents as the legislative liaison for the university.

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

## IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Wednesday, October 21, 1987.

**RATIFICATION OF ACTIONS REPORTED IN THE REGISTER OF PERSONNEL CHANGES FOR THE MONTH OF SEPTEMBER 1987.** The Board Office recommended the Board approve the register for the month of September 1987.

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

**APPROVAL OF ASSISTANT SUPERINTENDENT POSITION.** The Board Office recommended the Board approve a pay range of \$35,000 - \$45,000 for the position of Assistant Superintendent.

Last month the Board approved in concept a draft of a position description for the Assistant Superintendent at Iowa School for the Deaf. Additional consideration was given to the administrative structure at Iowa School for the Deaf since last month's meeting. The result was that the Superintendent and Board Office made no changes in the draft approved by the Board.

In order to maintain internal equity and considering the duties of the position, a pay range of \$35,000 to \$45,000 was determined to be equitable.

**MOTION:** Regent Tyler moved to approve a pay range of \$35,000 - \$45,000 for the position of Assistant Superintendent. Regent Harris seconded the motion, and it carried unanimously.

**ANNUAL REPORT OF RESIGNATIONS.** The Board Office recommended the Board receive the report of teacher resignations for Iowa School for the Deaf for fiscal year 1986-87.

Iowa School for the Deaf reported a total of two academic resignations for the 1986-87 school year. These resignations were for relocation and health reasons. The total number of resignations for 1986-87 was five (5), below average for the nine years in which data has been collected on resignations at the school.

Superintendent Johnson stated he believed the low number of resignations was indicative of a stable staff.

**ACTION:** President Pomerantz stated the Board received the report of teacher resignations for Iowa School for the Deaf for fiscal year 1986-87 by general consent.

**REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS FOR THE MONTH OF SEPTEMBER 1987.** The Board Office recommended the Board approve the capital register.

**PROJECT DESCRIPTIONS AND BUDGETS**

The school sought approval of one new project.

Improvements to Institutional Head's Residence \$15,000  
Source of Funds: Building Repair Funds

This project will make a series of improvements to the superintendent's residence. The project consists of five items which are listed below:

- |  |        |
|--|--------|
| 1. Remodel dressing area outside upstairs bedroom        | \$ 750 |
| 2. Remodel first floor bathroom                          | 750    |
| 3. Construct family room in basement                     | 1,500  |
| 4. Purchase replacement drapes                           | 4,500  |
| 5. Remove and replace concrete & steps at front entrance | 7,500  |

The school indicated the first three items will be completed by school Physical Plant employees. Wilscom Birge and Associates, Omaha, Nebraska, will serve as project architect. Items 4 and 5 will be accomplished by competitive quotations and public bidding. The Facilities Planning and Management Department of Iowa State University will provide administrative review and oversight on the project.

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

**APPROVAL OF CHAPTER I CARRY-OVER PROGRAM.** The Board Office recommended the Board approve the Chapter I carry-over funding of \$15,826 from fiscal year 1987 to support fiscal year 1988 Chapter I programming, subject to program approval by the Department of Education.

The funds were proposed to be used to fund approximately one-fifth of a teacher assistant position to coordinate the school's off-campus student employee program for lower functioning students and as continuing support for the summer travel team program. General funds are being sought to continue support for this activity in fiscal year 1989.

**MOTION:**

Regent Williams moved to approve the Chapter I carry-over funding of \$15,826 from fiscal year 1987 to support fiscal year 1988 Chapter I programming, subject to program approval by the Department of Education. 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 Iowa School for the Deaf. There were none.

## IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Wednesday, October 21, 1987.

**RATIFICATION OF ACTIONS REPORTED IN THE REGISTER OF PERSONNEL CHANGES FOR AUGUST 23, 1987, TO SEPTEMBER 19, 1987.** The Board Office recommended the Board approve the register for the period from August 23, 1987, through September 19, 1987.

**ACTION:** President Pomerantz stated the Board approved the Register of Personnel Changes for the period from August 23, 1987, through September 19, 1987, as a consent item.

**FACULTY RESIGNATIONS.** The Board Office recommended the Board receive the report of faculty resignations at the Iowa Braille and Sight Saving School, 1986-87.

The Iowa Braille and Sight Saving School reported one resignation for the 1986-87 academic year. This number represents six less than the previous year. The resignation was for a person accepting a position at an area education agency. The number of resignations this year is less than the average for the nine years in which data has been collected.

Superintendent Thurman stated the resignation was of the school's psychologist. He said they have been trying to recruit a replacement since June of this year, and have contacted the Regent universities for referral assistance. Superintendent Thurman said it would appear that school psychologists are a rarity since there are currently 15 openings in the state.

Regent Harris asked for the position's pay scale. Superintendent Thurman responded the approximate range is \$25,000 - \$31,000. The school also has the capability of adding to that salary depending upon the additional duties the person would care to take on. He didn't believe the salary was the problem with the recruitment.

**ACTION:** President Pomerantz stated the Board received the report of faculty resignations at the Iowa Braille and Sight Saving School, 1986-87, by general consent.

**APPOINTMENTS. (A) Director of Education.** The Board Office recommended the Board approve the appointment of DR. IVAN S. TERZEIFF, Director of Education, effective November 2, 1987, at an annual salary of \$40,000.

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Superintendent Thurman stated he had known Dr. Terzeiff professionally for a number of years and was very pleased to have him on staff.

**MOTION:** Regent Fitzgibbon moved to approve the appointment of DR. IVAN S. TERZEIFF, Director of Education, effective November 2, 1987, at an annual salary of \$40,000. Regent Williams seconded the motion, and it carried unanimously.

(B) Director of Administrative Services. The Board Office recommended the Board consider the approval of any candidate for the position of Director of Administrative Services which may be presented by the Superintendent at the Board meeting.

Superintendent Thurman stated he is seeking a replacement for Marsh Berry who will be retiring in December. Interviews for the Director of Administrative Services position have been completed; however, Superintendent Thurman was not ready to offer the position. He asked that the Board give authority to its Executive Secretary to approve the person, once selected, since time was of the essence. He wanted to have someone on board to train with Mr. Berry prior to his retirement.

**ACTION:** President Pomerantz stated the Board, by general consent, authorized its Executive Secretary to approve the final selection of a candidate to fill the position of Director of Administrative Services.

**GRADUATION REQUIREMENTS.** The Board Office recommended the Board approve the revision of the Iowa Braille and Sight Saving School graduation requirements, as submitted.

Board Office staff indicated this item was an attempt to correct a previous omission in not bringing to the Board changes in the graduation requirements.

Superintendent Thurman stated the changes were very minor and consisted of the addition of courses in the school's business and consumer education areas which were better designed to meet the needs of the lower functioning students. He said the content was more appropriate to the school's present student population and reflected strong national trends toward transitioning from school to home to work environments by acquiring very practical skills.

**MOTION:** Regent Williams moved to approve the revision of the Iowa Braille and Sight Saving School graduation requirements, as

submitted. Regent Harris seconded the motion, and it carried unanimously.

**VISIT BY STUDENTS TO UNITED KINGDOM.** The Board Office recommended the Board approve the proposed trip to England for Iowa Braille and Sight Saving School students and related expenditures.

Iowa Braille and Sight Saving School has an unusual opportunity to send some of its students to a meeting in England. The meeting represents both an honor and an opportunity for an excellent learning experience for the students involved. As noted by the institution, the expenditures for this trip will come from institutional endowment funds. The estimated cost of the trip is \$3000.00. Staff members from the school will accompany the students.

The Board Office recommended the school obtain a parent release for the students taking the trip and that appropriate travel insurance be obtained.

The Board Office congratulated the school and the students for being identified to participate in this special meeting.

Superintendent Thurman stated the trip was an opportunity for the students to become involved in a science exposition with blind children from all over the world. He said he believed the cost was very low.

Regent Fitzgibbon asked that school officials take a look at the Board Office recommendation regarding travel insurance and other insurance available to protect the state's liability.

**MOTION:**

Regent Williams moved to approve the proposed trip to England for Iowa Braille and Sight Saving School students and related expenditures, and that school officials look into the insurance issue further. Regent Fitzgibbon seconded the motion, and it carried unanimously.

**REGISTER OF CAPITAL IMPROVEMENTS BUSINESS TRANSACTIONS.** The Board Office stated the capital register contained no transactions for the month.

**CHAPTER I BUDGET.** The Board Office recommended the Board approve the Chapter I restricted fund program budget in the amount of \$33,719, subject to program approval by the Department of Education.

The proposed budget included funding of an experiential learning professional position to work with 8-10 year old students in the areas of community living, recreation, and daily living skills; Low Vision Clinic utilizing contracted professional staff for eye examinations of visually-impaired

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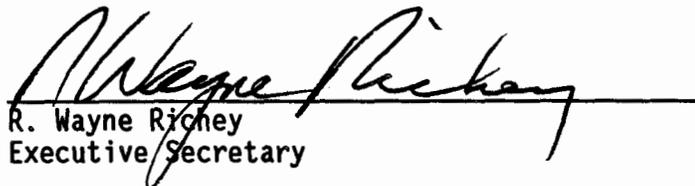
students and consultation with parents and teachers; and, supplies and services and indirect cost reimbursement.

**MOTION:** Regent Williams moved to approve the Chapter I restricted fund program budget in the amount of \$33,719, subject to program approval by the Department of Education. Regent Fitzgibbon seconded the motion, and it carried unanimously.

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

**MOTION:** Regent Williams moved to adjourn. Regent VanEkeren seconded the motion, and it carried unanimously.

**ADJOURNMENT.** The meeting of the State Board of Regents adjourned at 3:47 p.m., on Wednesday, October 21, 1987.

  
R. Wayne Richey  
Executive Secretary